

A man with short dark hair and a mustache, wearing a black jacket over a pink and white checkered shirt, is sitting on a blue metal frame. He is smiling and has his hands clasped in front of him. He is wearing a blue watch on his left wrist. The background shows a workshop or garage with white cabinets and a blue wall.

ANNUAL REPORT & ACCOUNTS 2020

**MACMILLAN
CANCER SUPPORT**



Ella running the Virtual London Marathon on the Kent Coast

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Richard Murley, Chair, and Lynda Thomas,
Chief Executive Officer

INTRODUCTION

from our Chair and Chief Executive

At Macmillan, we do whatever it takes for people living with cancer. Last year was no exception.

The devastating impact of Covid-19 is undeniable. It has affected the people we support, the environment we operate in, and our organisation. We faced challenges on a scale we have never encountered before. The implications of shielding and social distancing meant that parts of our face-to-face support had to stop, fundraising events were cancelled, and our income decreased; but people with cancer needed us more than ever.

From the moment the pandemic hit, we had to adapt quickly to new challenges and constraints. We created new services to help combat feelings of loneliness and isolation, new fundraising products so people could support us virtually and we campaigned to ensure that cancer doesn't become "The Forgotten 'C'" during the pandemic. Despite the challenges, we supported over 4.2 million people with vital emotional, practical and financial support on our website, we identified £278 million in financial gains for people facing money worries and achieved over 221,000 calls, emails and webchats answered through our Macmillan Support Line.

The demands the pandemic placed on our healthcare partners and its impact on our income meant we weren't able to spend as much on services for people with cancer as we had planned. We wanted to do everything we could to support people and vital cancer services during the pandemic, so we created a £12.5 million Coronavirus Response Fund. Macmillan and other healthcare professionals on the frontline were under strain from increased pressure and workload. To support them, we created an emotional wellbeing hub on our website so they could manage their emotional needs.

With our income decreasing, we took action to ensure we could continue to deliver the most impact for the people we are here to support. We made immediate changes to save money such as furloughing a third of our employees, cutting budgets and closing five of our offices. But we also needed to take the tough decision to reduce the size of our organisation. Our people are the beating heart of Macmillan so this was a particularly difficult decision for us.

People are still being diagnosed with cancer every day - we are putting those people at the heart of our future plans. There is still much to do. We need to reach more people. We need to help restore cancer services. We need to address the inequalities faced by marginalised groups in accessing support, especially in ethnic minority communities, and Macmillan must better reflect and represent all the communities we serve. But we are confident that we will emerge from this unprecedented time more agile, courageous and effective in our work.

Most importantly, we have never been more determined and committed to make sure people living with cancer get the support they need. Our purpose has never been so clear, so urgent and so important. Thank you to our supporters, partners and employees for the vital part you are playing as we do whatever it takes to help people living with cancer live their lives as fully as they can.

Richard Murley, Chair
Lynda Thomas, Chief Executive Officer

‘Our purpose has never been so clear, so urgent and so important.’

THE DIFFERENCE WE MADE

There's around 3 million people living with cancer in the UK today. Over 360,000 more people are diagnosed in the UK every year. At Macmillan, we won't rest, and we won't settle for anything other than the best possible support for people with cancer. We do whatever it takes – last year was no exception.

OVER £278 MILLION
IN FINANCIAL GAINS

identified for people living with cancer, including Macmillan Grants and state benefits that people were entitled to

OVER 221,000 CALLS, EMAILS AND WEBCHATS

answered to give people the information that's right for them. During 2020, our Macmillan Support Line was open 7 days a week, 365 days

NEARLY 80%


of national politicians in the UK's parliaments and assemblies reached through "The Forgotten 'C'" campaign. The campaign made sure that treatment, tests and vital cancer services weren't forgotten about.

£12.5 MILLION


was set aside for our Coronavirus Response Fund. The fund prioritised supporting health and social care services across the UK to continue supporting people with cancer.

6 WEEKS


6 weeks is the amount of time it took to set up a virtual emotional support scheme with our dedicated volunteers when the pandemic hit.

£20 EXTRA A WEEK


Working with other charities, we influenced the government to increase Universal Credit to an additional £20 a week. This is temporary, but we are working to make this permanent.

4.2 MILLION PEOPLE


visited our website, including our cancer and coronavirus hub. The hub is home to reliable, easy to understand and up-to-date information.

£193.5 MILLION


raised by our fantastic fundraisers and grant income. Without their help, much of this wouldn't have been possible.

SUPPORTING PEOPLE LIVING WITH CANCER

We do whatever it takes to help people with cancer live the best possible life, from support in hospital to advocacy to decision-makers.

Our professionals, employees, volunteers and partners work tirelessly – in person, online, on the phone – from advising on how to manage symptoms, to helping with bills, and providing a listening ear. All backed by our brilliant supporters.

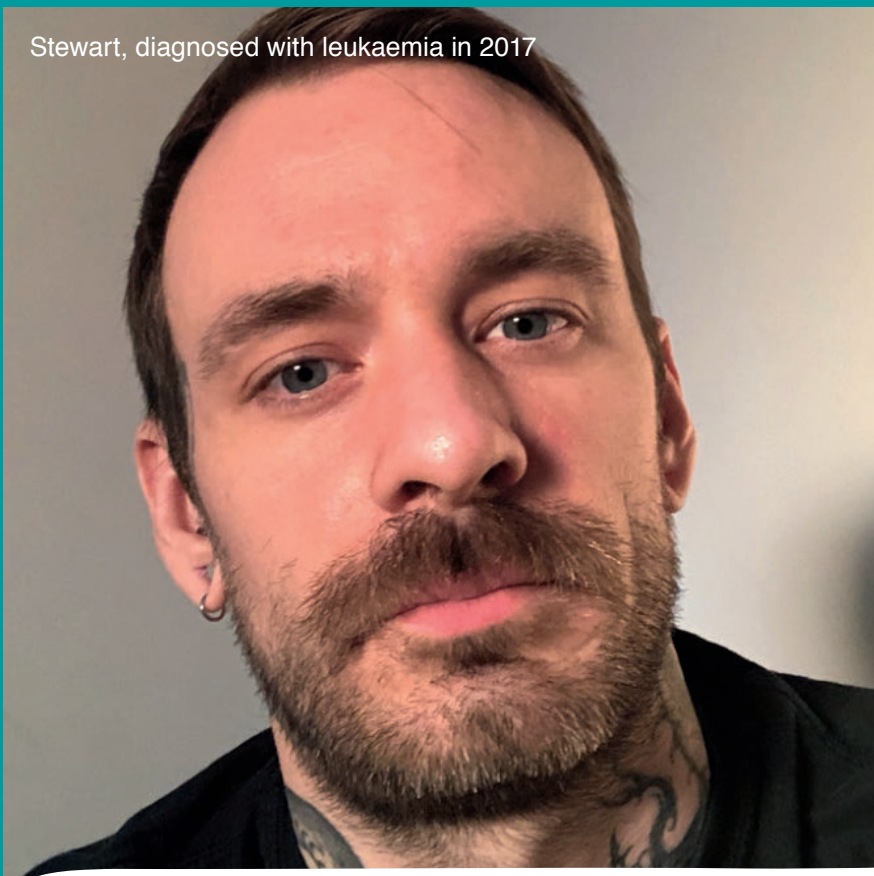
When the Covid-19 pandemic hit, we took action. In this section, you can read about how we supported people living with cancer during a time of heightened uncertainty.



• Cancer thrives on silence and ignorance so don't suffer in silence. Do something and seek the help and support that is out there. •

Errol, diagnosed with prostate cancer in 2010

Stewart, diagnosed with leukaemia in 2017



I searched for a support network that felt right for me, but there just didn't seem to be anything out there. It soon became apparent to me that if I was searching for a group, others likely were too. The Macmillan team were fantastic – their encouragement and support changed everything.

Stewart was diagnosed with a rare blood cancer while living abroad in 2019. After returning to the UK to begin treatment, Stewart recognised a need for a peer support group for fellow LGBTQIA+ people living with cancer and set up 'Live Through This' with an initial grant from Macmillan. Live Through This has now gone on to become the UK's only LGBTQIA+ cancer charity.

Adapting fast due to Covid-19

The last year has had a huge impact on people living with cancer, both physically and mentally. Some of the cancer workforce were redeployed to fight the pandemic on the frontline. Tests and treatments have been changed, postponed or even cancelled. At times it has been difficult or impossible for people to get face-to-face support from family and friends, healthcare professionals and services.

We experienced a surge in demand at the start of the pandemic as people with cancer faced huge uncertainty. However, a reduction in income and pandemic restrictions meant we couldn't invest as we had planned to in some of our services and partnerships. Others, like our Mobile Information and Support Service, had to stop altogether.

To keep being there for everyone who needed us, we quickly adapted our services and developed new ones. We looked after the safety and wellbeing of people living with cancer and our employees, innovating to find safe ways to work. The internet and telephone played a vitally important role in ensuring our support continued during periods of lockdown and social distance.

We are incredibly proud of the new services we've launched in direct response to Covid-19 which include:

Coronavirus hubs

Dedicated sections of our website with up-to-date information for people with cancer, and for healthcare professionals (more on page 11)

Macmillan Telephone Buddies

Launched within six weeks of the first UK lockdown to help people with cancer feel less isolated (more on page 12)

Coronavirus Response Fund

A £12.5 million fund to support our partners in places where the need was greatest and we could respond quickly (more on page 16)

The impact of coronavirus on people with cancer

19%

570,000 people in the UK with cancer (19%) have barely left the house because they're scared to do so.

1 IN 4

The virus and associated lockdown has left as many as one in four (840,000) people with cancer feeling stressed, anxious or depressed.

KEEPING THE MACMILLAN SUPPORT LINE OPEN

The Macmillan Support Line became a vital part of our response to Covid-19; making sure people living with cancer had someone to talk to when many were isolated, unable to see their friends and family.

Our support line was available 7 days a week, 365 days in 2020. From answering clinical questions to helping ease money worries, our trained teams kept providing confidential support and guidance to everyone who needed it.

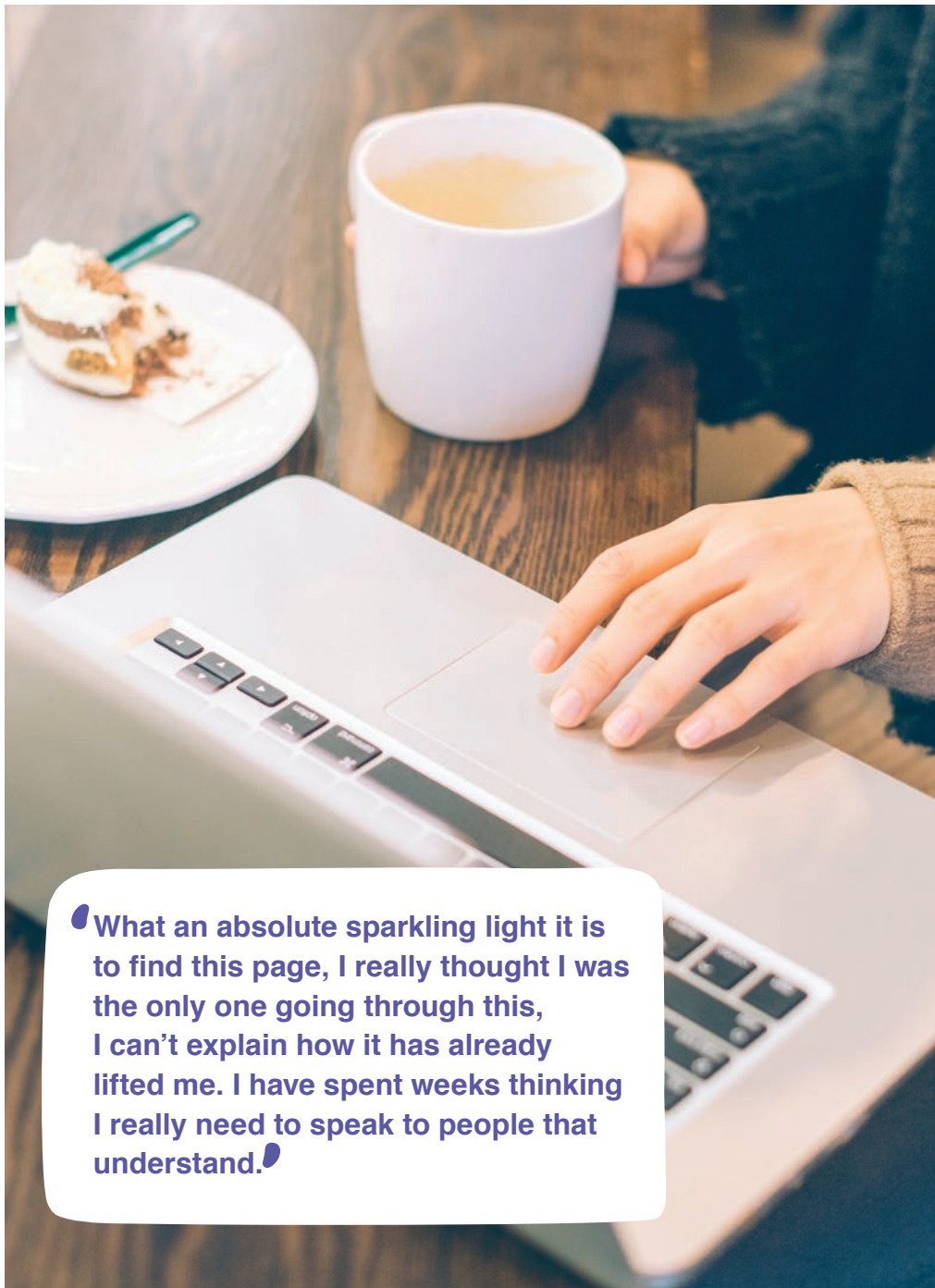
At the beginning of the pandemic, lots more people were calling to talk to our specialist cancer nurses. All our contact centres switched to home working during the first UK lockdown, so we could keep the lines open when people needed us most.



During 2020, the Macmillan Support Line helped over **102,100** people, through more than **221,000** calls, emails and webchats

I feel less afraid with the information you've given me. It's unbelievable how calm you've made me feel, thank you.

Stephanie, support line caller



What an absolute sparkling light it is to find this page, I really thought I was the only one going through this, I can't explain how it has already lifted me. I have spent weeks thinking I really need to speak to people that understand.

Improving our online community and website

Online Community

The Macmillan Online Community is a free place for people living with or affected by cancer to talk and share experiences. We made investments in 2020 to make sure people had the best possible experience using our Online Community, accessed by hundreds of thousands of users.

In July 2020, after we upgraded the platform, the Online Community was ready for relaunch. We recruited more community champions, added extra functionality like webchat and helped to connect more people to the support they need with proactive marketing.

In 2020, we had:

15,999

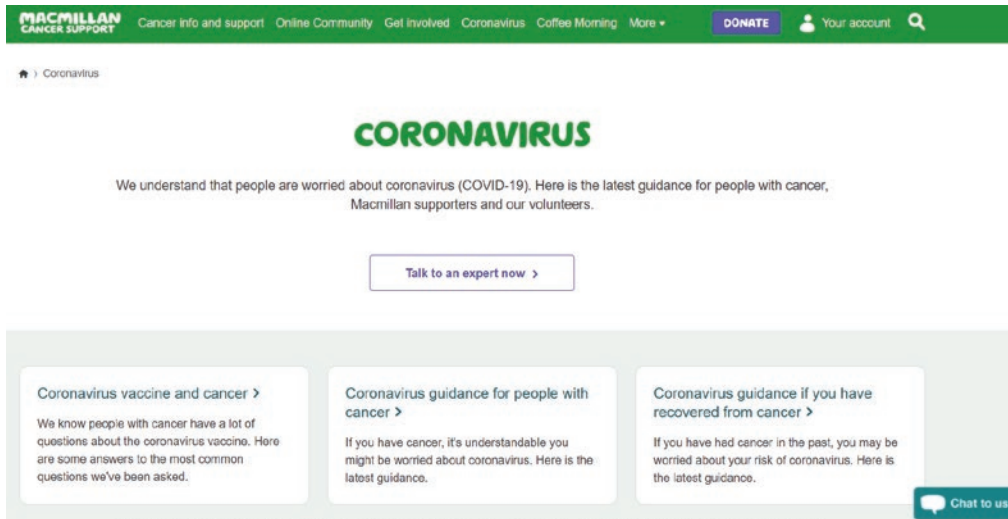
new member registrations

116,313

posts and replies

**OVER
580,000**

unique users



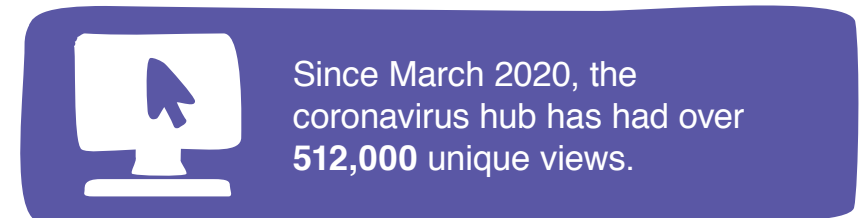
Our website

In 2020, we came to the end of a two-year website improvement project. It aimed to help more people living with cancer find and access our services and make our website easier for users to adapt to their needs.

People living with cancer can now access a personalised guide and cancer information dashboard when they log in. This means they get the information that's right for them. We also launched a new webchat function, where people can get their questions answered by colleagues on the support line and access immediate support.

Coronavirus hubs

At the start of the pandemic, people living with cancer were worried about how Covid-19 would affect them. They turned to us for information and support.



To help ease worries and keep people informed, we made a dedicated coronavirus hub on our website. We share the link with everyone we speak to, whether they contact us, or we contact them. We keep it up to date with the latest government guidance and change it in response to feedback and insights from users. We also created a hub for healthcare professionals to support them through this difficult time. The hubs quickly became vital resources for people living with cancer and for healthcare professionals.

We want people to find the most reliable and trustworthy information and maintain the position as a top Google search result for 'cancer and coronavirus'.

Developing and testing new services to support the emotional needs of people living with cancer

We understand that a cancer diagnosis is more than just physical. We're here to help with the emotional impact of cancer too. This year the impact of the pandemic on treatments, the support available and access to healthcare meant that our emotional support services were more important than ever.

Macmillan Telephone Buddies

In March 2020, we paused all our face-to-face volunteering activities. We wanted to keep our volunteers and the people they support safe, and we knew we had to find another way of helping the people who need us.

Going through cancer can be an isolating experience at any time, and it's especially intense while social distancing and shielding guidelines are in place. Our dedicated volunteers and Macmillan employees came together to launch Telephone Buddies – a free service that matches people up with someone who understands what they're going through.



2,400

In 2020, we supported over **2,400 people** through our new buddying service, and we can now offer support in **20** different languages.

We're very thankful to have received a grant of £89,000 to run this vital new service from the Department for Digital, Culture, Media and Sport and the National Lottery Community Fund's Coronavirus Community Support Fund.

MARK'S STORY



‘The Telephone Buddies scheme is a brilliant concept. Especially for us guys. Women are often able to pour out their feelings. But for men, there's pride or the stiff upper lip.

Stuart's all about finding an alternative solution and has encouraged me in so many ways... we chat like two old friends. It wasn't hard to gel with him. He's a very good listener. He's always spurring me on in so many areas. All these small words of encouragement make a big difference to help me overcome this.’

Well-being Coaching

In 2020, we developed a new free Well-being Coaching service which connects people living with cancer to accredited volunteer coaches who can help with mental health and wellbeing by phone or video call. Working with a coach, people living with cancer can develop better coping strategies to challenging situations and become better able to move forward with life.

Over the course of 2020, we supported 153 people living with cancer and grew the coaching network from 3 to 50 coaches. This means we will be able to support more people living with cancer during this challenging time and we're making plans to grow this service further in 2021.

ANN'S STORY

I was paired with a wonderful coach who is based in Australia. As most coaching is now online due to Covid restrictions, the physical distance was not an issue and we met once a fortnight to work through six sessions together. My coach listened carefully to my concerns and enabled me to reframe some of my habitual thoughts about my body.

The coaching was excellent, and I feel very lucky to have received this support from Macmillan.

On 1st January 2021, I braved the shave, raising over £1,000 for Macmillan. I'm not sure I would have been brave enough to do it before the coaching.

Early evidence shows people who have completed a full coaching course feel more able to handle challenging situations and take active steps to move on from their cancer experience.

In addition to our Well-being Coaching service, we began to fund access to Bupa's counselling and therapy mental health services in August 2020. They offer phone and video sessions that are tailored to meet the specific needs of each person we refer.

After a screening assessment, people living with cancer get up to six sessions of support from a qualified counsellor.

1,337

Over 500 people accessed a total of 1,337 sessions.

6

Early evidence shows people who have completed all six sessions are typically seeing improvements in their emotional wellbeing, including fewer feelings of depression and anxiety.

DELIVERING VITAL SUPPORT WITH BOOTS

In 2020, Boots colleagues continued to directly support people living with cancer across the UK through our Boots Macmillan Information Pharmacists (BMIPs) and Boots Macmillan Beauty Advisors (BMBAs), holding a combined 84,000 conversations and consultations in-store and online. Together, Boots colleagues, customers and suppliers, with the support of No7, have raised over £590,000 to support our work, taking our partnership fundraising total to over £19.4 million since 2009.

There are around 1,950 BMIPs available in Boots stores, who have all received bespoke Macmillan training around diagnosis, treatment and how cancer affects people. They can also answer questions about medication and guide people to other sources of information and support.

We have almost 900 BMBAs, who are No7 Advisors, trained to give make-up and skincare advice to help people with cancer manage the visible side effects of cancer and treatment, to make them feel, and look, more like themselves again. In response to the pandemic, both of these services have been pivoted to virtual, so that people living with cancer can still receive this specialist advice and support remotely.



MATTHEW'S STORY

A virtual Boots Macmillan Information Pharmacist

I find this role both rewarding and fulfilling. I feel so privileged to have been involved with the project from the early days, and I'm proud of the difference that my colleagues and I can make to people living with cancer by offering this virtual service.



Increasing our marketing to reach people with cancer from the moment they are first diagnosed

We're famous for our amazing Macmillan nurses, but many people still aren't aware of how we can help at different stages of a cancer experience.

This year we made changes to raise awareness of the vital information and support we can offer throughout people's cancer journeys. We wanted to help avoid information overload at diagnosis, and to be a consistent source of information and support.

National campaign

Our marketing campaigns consist of regular emails, or postal packs for people who aren't online. The content we send offers support and advice to help with physical, financial, work and emotional needs, and we can personalise the packs where we know the disclosed type of cancer.

This year we launched a national campaign to reach as many recently diagnosed people as possible. As the pandemic began, we quickly adapted our emails to include information and signposting to our new coronavirus hubs.

Initially we aimed to reach 10.9% of all diagnosed people – around 40,000 signups. We adjusted this figure to account for the fact that fewer people were being referred and diagnosed, and because of a necessary cut to our campaign budget. The revised figure was 27,000, and we reached over 24,000 signups.



94% of people who received postal packs engaged with us again.

57% did so in two or more ways.

63% called to speak to a nurse.

62% visited the Macmillan website.

Maintaining our investment in financial support so that people can get help with all their financial concerns

As the full economic impact of the pandemic unfolds, more people than ever will need urgent financial support to help cover the costs of living with cancer. We're here to help alleviate the financial pressure during this challenging time.

We help prevent the financial impact of cancer turning into a crisis. We give benefits advice, help with employment issues, offer small one-off grants, help people pay their energy bills, and provide financial guidance on mortgages, pensions, insurance and savings.

Money and work

Demand for our money and work services was impacted by fewer people receiving diagnoses and treatment because of the pandemic, but we were still able to make money one less worry for people at a time when they needed it most.

We identified £85 million in financial gains for people living with cancer through our Macmillan Support Line money and work services. We also secured a further £184 million in financial gains for people living with cancer through our separate network of benefits advice services across the country. We awarded £9.1 million in grants to people facing financial hardship. This was less than last year, partly because fewer people were seen and referred by Macmillan professionals due to the pressure of the pandemic on health and social care services. It is also in line with our work to provide joined up financial support which meets people's financial needs before they get to the point of needing a Macmillan grant.

30%

of people with cancer lose some income as a result of their cancer (on average people affected lose £860 a month).

£278m

We identified over £278 million in financial gains for people living with cancer last year, including Macmillan grants and state benefits people were entitled to.

Delivering financial support in partnership

We're here to make money one less worry for people living with cancer. In 2020, our partnerships with Lloyds Bank, Bank of Scotland, Halifax and Scottish Widows supported 1,420 people living with cancer, through two-way referrals. Since the partnerships began, 6,479 people have benefitted from the service, and together we've identified more than £493,000 in additional financial gains for people living with cancer.

Raising awareness of our services

We developed 16 new campaigns to promote our services such as the Macmillan Support Line and our Online Community. We used channels like TV, radio, digital, and posters and leaflets in healthcare environments.

From the start of the pandemic, we've put together at-speed campaigns promoting our advice and support on Covid-19 and cancer, directing people to our support lines and our coronavirus hubs. Over the course of the year, from when we started tracking calls at the end of March, we know that 16,900 calls came through as a direct result of our marketing activity.

Working with partners and organisations providing cancer care to ensure people have more conversations about their needs and the support they can access

Coronavirus Response Fund

With some roles in the UK's cancer workforce being redeployed to fight the pandemic on the frontline, we knew we had to support the running of vital cancer services. In April 2020, we set up a Coronavirus Response Fund, to make sure people living with cancer could still access essential services while Covid-19 disrupts care and treatment. The fund consisted of £12.5 million that is ringfenced to be spent on supporting our partners where the need was greatest, and where we could respond quickly during the pandemic.

With the £12.5 million fund, we established 250 roles. These roles included 56 Clinical Nurse Specialists and 85 support workers who are vital in helping provide joined-up personalised care for people living with cancer. We also invested in volunteer services and information professionals.

Examples of some of the services we funded include:

Lung Clinical Nurse Specialist

St Helens and Knowsley Hospitals NHS Trust

We funded a Lung Clinical Nurse Specialist (CNS) to make sure people with lung cancer have the right support from the moment they are diagnosed. A CNS is a skilled expert in cancer care who can give people physical and emotional support, coordinate care services and provide information and advice about clinical and practical issues. Sadly, we anticipate that diagnosis in emergency situations will be more likely as a result of the pandemic. It's important to give people the highest possible levels of support during such difficult times.



Macmillan Volunteering Hub

Glasgow

We invested in support services including information, emotional and financial support, physical activity and bereavement support. The funds will help with recovery from Covid-19, and meeting current and future challenges for people living with cancer across Glasgow and West Dunbartonshire.

MOUSSA'S STORY

Some people living with cancer in the borough don't have the opportunity to interact with others and those that live alone risk becoming completely isolated.

We partner with the Selby Trust – a Haringey community organisation – to help deliver vital support to people living with cancer during the pandemic.

As a part of this, we awarded the Selby Trust with a £2,500 support grant for an online programme of activities to support people living with cancer undergoing treatment and self-isolating during the pandemic.

The grant enabled the programme to help people with cancer in Haringey to connect with others and receive emotional and practical support during the pandemic.



Moussa

EMOTIONAL AND PRACTICAL SUPPORT

Macmillan in Northern Ireland
@MacmillanNI

We appreciated the opportunity to meet with First Minister @DUpleader & deputy First Minister @moneillsf earlier today, with representatives from a number of NI charities, to discuss the significant impact of shielding on people living with cancer & other long-term conditions.

Lynda Thomas (she/her)
@lynda_thomas

Thank you @MattHancock & @Jochurchill4 for meeting @MacmillanCancer to discuss the concerns of people living with cancer about the impact of Covid-19, and agree to jointly bring together the cancer community to ensure cancer care gets back on track.

Macmillan Campaigning
@Mac_campaigning

Many thanks to @Jeremy_Hunt Chair of @CommonsHealth for meeting with @macmillancancer CEO @lynda_thomas, to discuss how we can ensure cancer care continues despite the COVID second wave and how best to start working towards beating the cancer backlog. #TheForgottenC

Macmillan Cymru Wales
@MacmillanCymru

A huge thank you to @fmwales for raising a mug for #MacmillanCoffeeMorning. We love coffee and walnut cake too! To get involved, visit coffee.macmillan.org.uk. #RaiseAMug

ADVOCATING FOR CHANGE

We influence the public, frontline services and key decision makers. Our advocacy work plays a critical part in getting the right care and support for people living with cancer. In 2020, we campaigned to raise awareness of urgent problems caused by Covid-19 and made a difference for thousands of people living with cancer.

We did it with the help of our committed campaigners and partners. We are especially grateful to people living with cancer who shared their stories, both in the media and one-to-one with influential figures like politicians. They brought the devastating impact of the pandemic home to people as a powerful reality. We couldn't have achieved what we did without them.

But the impact of 2020 on the needs of people living with cancer and the support available to them means that we will need to keep reassessing how we scrutinise and challenge governments' aims and targets for cancer care and support. Constructively but robustly holding decision-makers and public services to account will continue to be challenging as they deal with the impact of the pandemic on all aspects of society.



5,000

Around 5,000 people became new Macmillan campaigners in 2020.

CAMPAIGNING ACROSS THE UK



The Forgotten 'C' Campaign

Decision makers across the country took measures to protect everyone in the early stages of the pandemic, but upheaval across the health service had devastating consequences for people with cancer, as thousands of people faced long delays to vital diagnoses, treatments, appointments and care. The impact, for some, will be life limiting.

We launched The Forgotten 'C' campaign to make sure the physical and emotional needs of people living with cancer are not forgotten during the Covid-19 pandemic. It's our ongoing mission to bring about national and local action to deliver on cancer recovery plans, clear the backlog in cancer care and get cancer services back on track.

Hard-hitting report

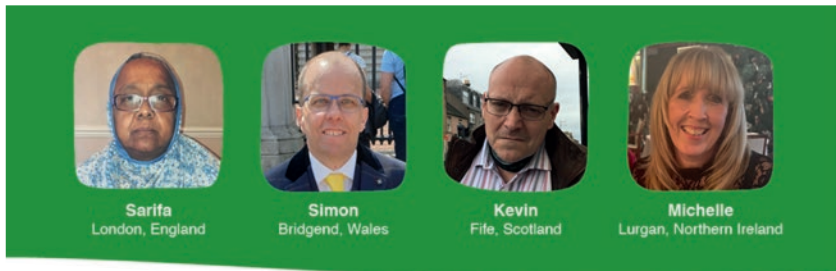
At the heart of our campaign was The Forgotten 'C': The impact of Covid-19 on cancer care – our report published in October 2020. In it, we lay bare the scale of the disruption to cancer services and set out the urgent steps needed to protect cancer services. Our analysis showed how hundreds of thousands of people saw treatment and care cancelled, delayed or disrupted. The report set out accounts of the physical and emotional impact on their lives.

50,000

An estimated 50,000 cancer diagnoses have been missed because of Covid-19.
– *The Forgotten 'C' report*

Massive effort from campaigners

After we launched the campaign, our dedicated campaigners stepped up to support us in an incredible effort. They took action almost 17,000 times, speaking to politicians about the campaign, sending messages of support to people living with cancer, and adding their signature to the campaign's open letter.



An open letter to UK governments

The first-hand experiences of how people living with cancer had been affected by the pandemic were vital to engage decision makers and the public with critical issues.

Our media coverage of the campaign ensured that people living with cancer knew they weren't forgotten – guiding them to Macmillan's support, giving them a platform to campaign and ensuring the public and decision-makers understood the consequences of the pandemic for cancer. We reached nearly 80% of national politicians in the UK's parliaments and assemblies with a message about the campaign.

Within two months of launching the campaign, 1 in 3 people saw or heard about The Forgotten 'C'.



Life-saving campaign wins

Together with supporters and campaigners, we have already brought about significant changes that have saved lives and improved the day-to-day experiences of people living with cancer. These changes will have a lasting impact in the future as we begin to recover from the pandemic:

- The publication of recovery plans or frameworks for cancer services in England, Scotland, Wales and Northern Ireland.
- Commitments across the UK to protect and prioritise cancer services, reducing disruption to treatments and care during the autumn and winter of 2020.
- The establishment of a Cancer Recovery Taskforce in England, as well as the allocation of £1 billion in additional government funding to the NHS to reduce the overall treatment and care backlog.
- Transforming Cancer Care, our partnership with the Scottish Government for holistic support for people living with cancer, was highlighted in the Scottish National Cancer Recovery Plan.



Empowering people living with cancer

Throughout the pandemic, we've made sure the needs and voices of people living with cancer led our advocacy work. In 2020, we made it our priority to get people living with cancer involved in our campaigns and give them the opportunities and resources they needed to be activists, advisers, spokespeople and volunteers. Our approach had three central elements:

The Forgotten 'C' Campaign Advisory Group

A group of eight people living with cancer from around the UK, who meet virtually every fortnight to advise on our campaign strategy, drawing on their lived experience.

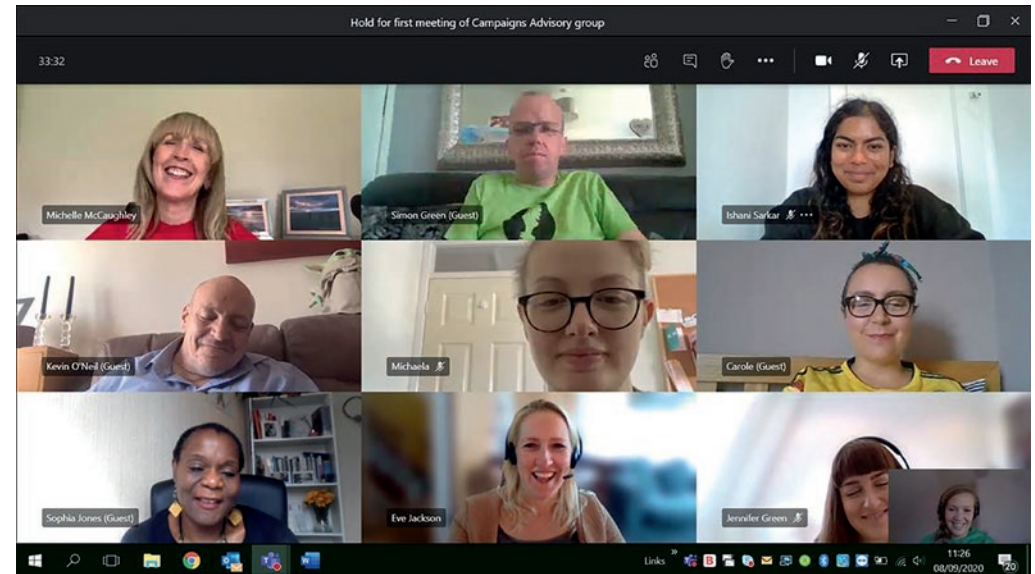
Campaign Champions Volunteering Programme

A six-month pilot of 15 people living with cancer in England and Wales. They take the lead in activities such as speaking at ministerial round tables, contributing their experiences in policy reports and being the faces of social media activity.

Digital Storybook

An easy-to-use online resource where people living with cancer, and those who support or work with them, can share their story and explain the changes they want to see.

We are evaluating the impact of these changes to identify how we permanently embed a stronger voice for the people we serve in both our decision-making about our advocacy and in how we use our public platforms.



One person who became a campaigner during the pandemic said:

I've never really done campaigning before, but I'm really glad to be able to try and help others now. Doing this has given me a sense of purpose. It even makes the cancer not seem so bad.

Political advocacy

We rapidly adapted how we engaged with top decision makers in 2020, to keep people living with cancer front of mind and make sure they get the care and support they need.

We've seized opportunities for people living with cancer to speak directly to MPs and policy makers about how Covid-19 has affected their lives. We established virtual 'Tea with your MP' meetings, where people spoke candidly and bravely about missed cancer tests and treatment, the impact on their physical and mental health, and financial struggles.

These personal stories directly shaped policies on access to cancer services and the support available for those most vulnerable to Covid-19.

We also successfully engaged decision makers in our virtual World's Biggest Coffee Morning. In September 2020, we invited politicians and other key figures from across the UK to raise a mug and stand up for people living with cancer.

In response, the Prime Minister Boris Johnson championed the event at 10 Downing Street and promoted it on social media. The First Minister of Wales and the Scottish Health Secretary both backed the event on Twitter. 230 MPs from all four UK nations recognised the event online – nearly twice the number who physically attended events in 2019.

MPs identified our campaigning as the most impressive during 2020, according to a nfpSynergy survey. In January 2021, MPs voted to give Macmillan the 2021 ComRes Parliamentary Charity Award for Best Healthcare Campaign.





Financial support

Tens of thousands of people in the UK struggle to pay bills and buy essentials because of the impact of living with cancer. The Covid-19 pandemic shone a light on a situation we have campaigned about for a long time – and we were here to help.

We met virtually with ministers from the Department for Work and Pensions throughout 2020. In these meetings, we raised the urgent need for financial support to help people living with cancer get through the pandemic. We also called on key decision makers to use forthcoming legislation on disability benefits, to improve financial support for people living with cancer in the long term.

Keep the lifeline

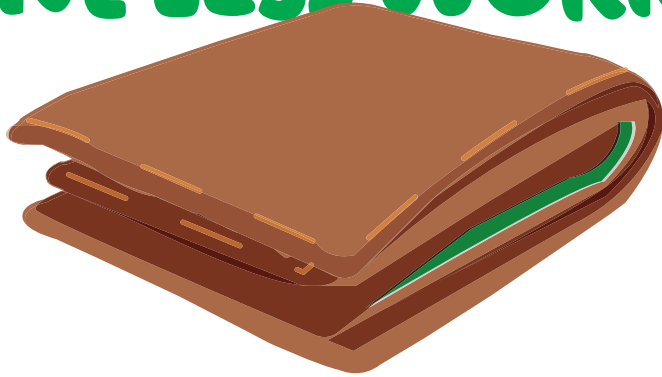
In April 2020, the government increased the standard weekly allowance in Universal Credit and Working Tax Credit by £20 for one year. This has been a welcome lifeline for many people living with cancer during the pandemic. We, along with many others, believe it is critical that this rise becomes permanent for people on the lowest incomes, including an estimated 60,000 people living with cancer.

We joined a coalition of over 50 charities that backed the 'Keep the Lifeline' campaign. We signed an open letter to the Chancellor that called for a £9 billion investment in the social security system to keep the £20 rise, and for the same uplift to be extended to Employment and Support Allowance, Income Support and Jobseeker's Allowance. We will continue to push for this to be made permanent.

Policy reform in Wales

Last year, we also achieved key policy reforms that now mean people living with cancer in Wales have better access to the financial support they need.

MAKING MONEY ONE LESS WORRY



Previously in Wales, the form which confirms a person has a terminal illness could only be sent by post between our benefits advisers and health professionals. People at risk of dying weren't getting vital support because forms got delayed or even lost in the post. We successfully lobbied the Welsh government and the Department for Work and Pensions to move to an online process – this win is making a huge difference to thousands of people who are nearing the end of life.

Better benefits process in Scotland

In Scotland, new social security arrangements meant Clinical Nurse Specialists (CNSs) couldn't sign benefits forms for people with cancer, so people's financial support got delayed. In 2020, the government listened to our argument about why this had to change, so CNSs can now sign the benefits form of someone they're caring for.

Sector support for vulnerable people across the UK

We have been advocating for changes to financial services and the laws around them to get better support for people living with cancer in relation to mortgages, credit and insurance – especially during a pandemic that is leaving many more people financially vulnerable. We responded rapidly to emergency consultations from the Financial Conduct Authority (FCA) and the UK Parliament's Treasury Select Committee.

Our evidence explained that people living with cancer need tailored support and further flexibility around financial services during the pandemic. We highlighted the potential for inequality that arises when people are denied insurance because of pre-existing conditions.

We continued to make our long-term argument that temporary measures introduced to help people with the financial crisis during the pandemic should be permanent for people facing the financial impact of living with cancer.

Our calls for tailored support and a duty of care from financial service providers were recognised in the FCA's new draft guidance for the financial services sector. This is an important step on the way to new legislation which could help more people living with cancer to seek and secure personalised support from their banks.

Shielding

In mid-March, the government deemed over two million people to be 'clinically extremely vulnerable' to Covid-19 and advised them to 'shield' for 12 weeks. Of this number, approximately 240,000 were living with cancer.

Soon, we started to hear from people living with cancer, people running our support services, campaigners, and clinical teams about major concerns. The guidance was confusing; people were struggling to isolate; they couldn't access household essentials; and many weren't able to go work.

We quickly developed a series of policy asks that called for better communication and better support for people who were shielding. Heading up a coalition of 48 charities, we wrote an open letter asking UK governments to take immediate action and give support and clarity to people who were shielding. It was published at the end of May, when restrictions had already started to ease but no guidance had been offered to the most vulnerable.

We reached out to government departments and parliamentarians to discuss the issues faced by people living with cancer who were shielding. We held meetings with the First Minister and Deputy First Minister in Northern Ireland and the Health Minister in Wales.

It was critical for the people affected to know they were not alone and that we were doing all we could to make sure their needs were being considered. We secured over 600 pieces of media coverage on shielding in May and June, including interviews across all major TV stations and BBC Radio 4's Today programme.



We held meetings with the **First Minister and Deputy First Minister in Northern Ireland** and the **Health Minister in Wales**.



Our swift and extensive work pressured the UK’s governments to rapidly create new guidance for ‘clinically extremely vulnerable’ people. But it was created without consulting charities who support vulnerable people, and circulated through the media, instead of being sent directly to people affected.

As a result, we and other charities struggled to offer immediate advice about the new guidance. To make sure this didn’t happen again, we led further scrutiny of the government’s support for and communication with people at high risk. With success – governments committed to regularly review shielding support, directly communicate with all those affected, and develop any further guidance in consultation with groups representing ‘clinically extremely vulnerable’ people.

End of life

During lockdown in spring 2020, it wasn’t clear from the government guidance whether people could visit a loved one who was nearing the end of life and living at home. Many people contacted us, extremely distressed that they may not get the chance to say goodbye to a relative or close friend.

To resolve this situation quickly, we called on policy makers and ministers responsible for end of life care in each UK nation to make the guidance clear. In response, all the UK’s governments updated guidance to explicitly state that visits to loved ones receiving end of life care at home were essential and allowed under lockdown rules.





Terri, planned a virtual Hallow half marathon and visited London's most haunted locations

RAISING MONEY FOR VITAL SUPPORT

A huge part of our fundraising relies on people getting together at events, and Covid-19 restrictions hit our fundraised income hard. Like other charities, we saw a significant drop in income, around £37.9 million less than 2019.

Yet last year, despite everything, our dedicated supporters were there for us every step of the way. Across the UK, they went to extraordinary lengths to fundraise for us while keeping themselves and their communities safe.

And our own fundraising teams truly stepped up to the mark. They adapted planned activities and developed new fundraising products to raise millions of pounds, keeping our services going when they were needed more than ever.



£193.5m

Our super supporters and grant income raised **£193.5million** for people living with cancer even with all the challenges caused by the pandemic.



Emergency Appeal

In April 2020, we launched an emergency appeal highlighting the devastating effect the pandemic was having on thousands of lives. We asked for extra support to adapt current services and launch new ones, so we could keep supporting people living with cancer during the pandemic.

The response to the appeal was enormous. Individuals, major donors, charitable trusts and foundations collectively donated over £2 million. The Julia and Hans Rausing Trust kicked off the appeal with an incredibly generous lead gift of £250,000.

THE
JULIA AND HANS RAUSING
 TRUST

“We are pleased to have helped Macmillan continue providing people living with cancer with the very best support and advice at a time when it has never been more needed.”

The Julia and Hans Rausing Trust.



Developing new ways of raising money

During the pandemic, we researched ways our supporters could fundraise for us while remaining safe at home. As well as supporting our teams to adapt existing plans, we launched 12 new fundraising products between April and December.

In total, 127,000 people took part in these fundraisers, raising over £1.2 million to help us reach and support people living with cancer. The most successful new product was Games Night In, with online versions of a murder-mystery, an escape room, a horse racing night, board games, and a quiz.

KRIS'S STORY

Kris was diagnosed with incurable metastatic breast cancer in 2018, and she also lost her husband, Matt, to a brain tumour in 2013.

She is a Community Champion and usually gets together with other people to take part in fundraising activities. For her birthday, Kris found an online fundraiser she could host remotely with her loved ones.

'It's not fun celebrating a birthday during lockdown,' says Kris, 'so I decided to try and find something different to do than the usual evening sat watching reruns on the telly.'

'I came across Macmillan's Games Night In and chose Trapped! An Escape Room to play with my family. This was a first, as my family is spread around the world. I'm in England, my brother is in America and I have a sister and brother in New Zealand.'

'It's very rare we're ever all in the same place at the same time. But Macmillan brought us together, we had loads of fun cracking the codes, and it was great to support a charity that's helped our family through many cancer journeys.'

GAMES NIGHT IN

Macmillan brought us together, we had loads of fun cracking the codes.

Kris, diagnosed with breast cancer in 2018.



Adapting our existing fundraising opportunities

We knew we had to adapt our activities fast to maximise income and keep engaging supporters during 2020. We ran modified events throughout the year with great results.

Brave the Shave

Home haircuts became a necessity for many people during lockdown, so we launched a targeted Brave the Shave campaign between April and June 2020. Thousands of supporters went under the scissors and clippers and raised an outstanding £4.2 million over the year.

Sober-ish October

As October 2020 approached, our research found that going sober for the whole month felt like a taller order than usual for many. We renamed the event Sober-ish October and gave people the option to go dry for 14, 21 or the full 31 days. 2020's Sober-ish October was a record breaker, with participants raising £5.4 million.

York Raceday

We adapted our longstanding and profitable partnership with York Racecourse and launched a virtual horse racing experience. Thousands of people across the UK got involved through Games Night In, enjoying an exciting race night and raising money for Macmillan at the same time. The event was a success and we hope to repeat it as we develop this further in 2021.

Longest Day Golf Competition

Our extremely successful golfing fundraiser normally involves people getting together on the longest day of the year in June and taking on 72 holes. To maximise involvement and keep everyone safe last year, we invited supporters to take part on any day over the summer.

Games Heroes

We began promoting our Games Heroes gaming marathon when we noticed a rise in people playing video games at the beginning of the first lockdown. Thousands of people signed up to join our virtual squad, raising over £900,000.



Challenge events

With most of our challenge events programme cancelled in 2020, we quickly launched a range of virtual events and experiences to keep our supporters engaged and help them help us. These raised over £6 million, with our 10-day 5k (a challenge to complete 5km on 10 consecutive days) raising over £600,000 on its own.

The marathon ahead

Last year, we were also announced as the official charity partner of the 2021 Virgin Money London Marathon. This is the first time Macmillan will be the only official charity partner of the event, and it offers us huge potential to raise awareness of our life-changing work and raise millions of pounds to support people living with cancer. The 2021 marathon will be the biggest ever with the inclusion of a virtual marathon that will bring together 100,000 people across the globe.

World's Biggest Coffee Morning

Even in this very challenging year, we still managed to raise over £10 million with our World's Biggest Coffee Morning event in September.

We couldn't have done it without Marks & Spencer, our headline partner for the 11th consecutive year. The retailer raised over £1 million through customer donations at the till, product sales and fundraising activities like colleagues running marathons between stores.

We were also delighted to welcome three new official World's Biggest Coffee Morning sponsors: Betty Crocker, NESCAFÉ Original and Zalando, who all helped to get the UK ready for the big event.

To make the event a success while people couldn't meet in the usual way, we helped people host or join in virtual and socially distanced coffee mornings, with adaptations like time slots and 'cake-takings'. We created a 'Raise a Mug' virtual wall where people could upload a photo and message of support. And supporters even ran, walked and cycled instead of tucking into coffee and cake, as part of our Coffee Morning Challenge.



Manoj raised money for Macmillan by running a marathon on Diwali so he could greet his family and friends in person from a distance, despite the national lockdown.



Regional fundraising

Throughout the pandemic, it was vital to keep supporters engaged with fundraising and make sure they felt supported in their efforts.

The Checking In campaign

Our Regional Fundraising and Supporter Care teams took on the most ambitious telephone campaign ever by Macmillan employees and volunteers.

The Checking In campaign ran from April to July, and in that time, we talked to over 20,000 supporters to thank them for their support and to ask how they were doing in such difficult times. These calls were extremely well received. Through calling our supporters, we got to know them better and were able to offer support to those who needed it.

‘The call was lovely, well actually amazing – to thank me for my continued support. It was so lovely to have somebody call me just to ask how I was. It meant the world.’ – Macmillan Supporter

Great adaptations

Our supporters continue to show creativity and commitment, making huge fundraising efforts while keeping to the restrictions during the pandemic.

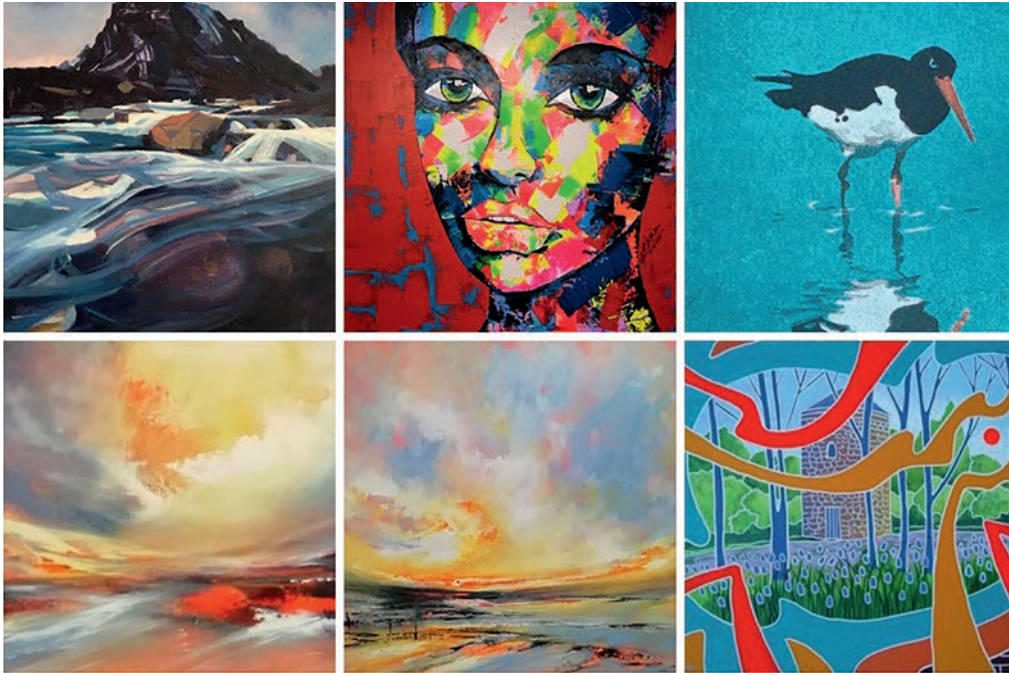
Celebration of Christmas

Every December, the Macmillan Celebration of Christmas committee organises a carol concert in Christ Church Cathedral, Oxford. Given the uncertainty ahead, the committee decided in April 2020 to reimagine the event online.

After months of collaboration between the committee and many other Macmillan teams, we screened the concert live at 8pm on 11 December. It was available on all our social media platforms for 21 days after the screening.

Overall, 2020’s Celebration of Christmas raised over £67,000, which was £24,000 more than the previous best total.





The Edinburgh Macmillan Art Show

Normally, Scottish-based artists exhibit their work at an Edinburgh art gallery over four days for the Edinburgh Macmillan Art Show. This year, the committee put a great deal of creativity and determination into a digital art exhibition throughout November.

The show featured 238 pieces of artwork from 78 artists and raised more than £10,000. This was 54% more than the art show raised in 2019 and brought the fundraising total since it launched 18 years ago to over £500,000.

Gifts in wills

Over the past year, our annual legacy income dropped by 8% to £71.8 million. This decline is the result of the pandemic slowing down the administration of estates, and we anticipate that we will see a significant increase in income from legacy gifts in 2021. We continue to invest in our long-term legacy strategy, as gifts in wills make up 37% of our total income before investment income – our biggest single source of revenue.

In positive news, 2020 saw more people than ever before take advantage of our Free Will Service. We expect legacies gifted through the service to reach over £20 million in the long term.

A third of our total fundraised income comes from individuals who leave a gift to Macmillan in their wills.





An extraordinary year of corporate partnerships

Without our generous corporate partners, we wouldn't be able to make a difference to the lives of so many people living with cancer. Thank you to everyone at every partner who took part in fundraising activities and delivered services in a very challenging 2020.

Marks and Spencer

In the 11th year of our partnership, M&S raised over £2 million, with £1 million raised through World's Biggest Coffee Morning activities, and other funds through M&S Sparks loyalty card donations. This brings their fundraising total to over £21 million since 2010.

Travis Perkins and Benchmarx

Colleagues and customers at branches pulled out all the stops, raising over £200,000. This brings their overall total to date to over £3.6 million. At the start of the first lockdown, Travis Perkins also generously donated over 10,000 items of personal protective equipment worth £48,000 which was distributed across Macmillan geographies and NHS frontline staff.

Greene King

Despite facing enormous challenges in 2020, colleagues have gone above and beyond to raise £1.4 million along with their customers, to help us meet the needs of people living with cancer. This takes our partnership's fundraising total to over £9 million since 2012.

NatWest Group

NatWest Group colleagues and customers raised over £170,000 in 2020, including customers gifting over £100,000 to Macmillan through the company's MyRewards loyalty scheme.

Dunelm

The home furnishings retailer kept fundraising for Macmillan even in the very challenging year that was 2020. This sterling effort took our partnership's fundraising total to over £1 million.



Donating masks at Huddersfield Royal Infirmary



Card Factory

Colleagues and customers of Card Factory raised over £415,000 in 2020, bringing the total value of our 15-year partnership to over £6.8million. The popular National Bear Raffle held in October brought in £80,000, helping us support people living with cancer.

National Garden Scheme

Since 1984, our longest standing partner has generously donated over £17.6 million and are currently funding the Y Bwthyn NGS Macmillan Specialist Palliative Care Unit in South Wales. This figure includes an impressive £425,000 in 2020 alone. They also work tirelessly to raise awareness of the benefits of gardens on health.

SSP UK & the SSP Foundation

SSP UK and the SSP Foundation raised over £145,000 for Macmillan in 2020. We could not be more grateful for their continued support as our partnership embarks on our fourth year working together.

Topps Tiles plc

During the sixth year of our partnership with Topps Tiles, colleagues and customers went over and above, raising in excess of £163,000. This impressive total is attributable to both colleague fundraising and customer microdonations, via the Pennies digital charity box. In addition to raising vital funds, a team of colleagues directly supported people living with cancer via the Telephone Buddying initiative.

CEF

CEF have been supporting Macmillan since 2017. In the past year, their fundraising activities included an 'Around the world' challenge where CEF colleagues raised money through sponsored sporting activities designed to virtually circumnavigate the world, and key products in one of their latest brochures featured a special donation to Macmillan every time that product was purchased. As a result, an amazing total of £190,000 was given to Macmillan during 2020.

Toolstation Ltd

Our partnership started with gusto in 2020, with Toolstation employees and customers raising over £135,000 for Macmillan. We are incredibly grateful to everyone that made a donation and got involved with fundraising activities in our first year working together.

HOW WE WORK

The health and wellbeing of people living with cancer and the individuals that support Macmillan, is our top priority. As such, we've been forced to work differently in the pandemic – whilst still holding ourselves accountable for providing the best possible experience for our supporters, donors, partners, employees, volunteers, professionals and people living with cancer.

We work hard to set the highest standards as an organisation. Our policies and procedures reflect our values and we designed them to help us keep to those standards. We communicate them to our employees and volunteers and give everyone the training they need to uphold them. We also record our decisions and incidents, monitor our performance, and gather feedback to help us learn and improve.

We work hard to set the highest standards as an organisation.



Supporting our people

As our people learn and grow, so do we. We do all we can to empower and equip everyone working with us to do their very best for people living with cancer.

In 2020...

- Volunteers completed over 3,000 hours of self-guided learning.
- Employees attended internal courses 3,119 times.
- The cancer workforce joined our online best practice forum, for information and education opportunities and to connect with their peers.

Volunteers

We created a Volunteering Helpdesk, to advise and support people who look after volunteers. The helpdesk received and responded to over 1,200 enquiries from teams across Macmillan and our partner organisations. Queries covered everything from recruitment and inductions, to policies on cards and gifts, and how we resolve volunteer problems.

Cancer workforce

The cancer workforce faced immense pressure as a result of the pandemic, many experienced stress, fatigue and burnout. Their high workloads and need for social distancing meant that our usual face-to-face training was not possible.

To support them, we launched a new Macmillan emotional and wellbeing hub to support healthcare professionals and the cancer workforce. We continued to provide them with tools and resources they need to provide the best possible care. We also gave them a platform to speak directly to decision makers at Westminster about the impact the pandemic was having on frontline workers.

Employees

Most Macmillan employees moved to home-working in 2020. To keep us collaborating remotely, we introduced Microsoft Teams. We also furloughed some of our employees with the help of the government's Job Retention Scheme. We built an online portal so people on furlough could stay in touch and take advantage of training and wellbeing courses.

Supporting employee wellbeing throughout the pandemic and beyond remains a high priority.

Protecting our supporters

We want everyone we interact with to feel free from undue influence when they consider donating. This includes anyone who may be in a temporary or permanent vulnerable state and unable to make an informed decision about giving.

There are lots of reasons why someone might be vulnerable, and we need to be able to spot the signs. We train our employees and fundraising suppliers to recognise these signs, so they can manage conversations and act in the most appropriate way.

We define our processes and procedures on vulnerability in our 'Fundraising with people in vulnerable circumstances' policy, which forms part of our fundraising supplier contracts. The policy includes the steps to take when vulnerability is identified.

We also make sure our fundraising scripts and training materials reflect our policy. We have developed the policy to prevent people who represent Macmillan from behaving in a way that could be considered intrusive or putting repeated or undue pressure on someone to donate.

BOB'S STORY

As Macmillan employees, we all have a responsibility to help prevent and identify fraud, and we introduced new compulsory training to help our people do their bit.

Studies suggest that the charity sector is at risk to potentially lose billions of pounds to fraud each year.

Since 2015, our Counter Fraud team has recovered over £554,000 in fundraised money that people have tried to fraudulently withhold from us. And since March 2020, in increasingly difficult circumstances, we've recovered £66,000.

The Charity Commission acknowledges Macmillan as sector-leading in our counter-fraud work. We are the only major charity that privately prosecutes fraud cases, and to date we are 100% successful in recovering funds in every case taken to court.

FRAUD AWARENESS TRAINING



Through our Compliance team, we routinely monitor our fundraising materials and how our suppliers perform, for example, through call monitoring and mystery shopping. This ensures our standards remain high and we treat our supporters fairly. We regularly review feedback from our supporters and other interested parties to check if our fundraising offer is right and complies with relevant rules and regulations. We adhere to and are committed to meeting the standards in the Fundraising Regulator's Code of Fundraising Practice. In 2020, there were no complaints logged with the Fundraising Regulator against our charity.

As a direct result of Covid-19, the Fundraising Regulator published guidance on public fundraising for charities, recognising that the number of people who may be vulnerable is likely to be higher because of the pandemic. We carried out risk assessments and put measures and training in place for employees and fundraising suppliers to recognise the signs, so they could continue to manage conversations and take the most appropriate action.

To help protect people in vulnerable circumstances, we followed guidance from the government and the Fundraising Regulator and stopped public fundraising at times when it wasn't safe. We also increased the level of monitoring of our fundraising suppliers and spoke to more supporters to make sure our standards stayed high during the pandemic.

Listening is important to us

We're proud of the experience we offer people living with cancer, our volunteers and fundraisers. But we know there's always room for improvement in some areas.

We regularly survey our supporters about their most recent experience with Macmillan. In 2020, over 43,000 people replied to our "how we are doing?" survey. 86% said they were likely to recommend Macmillan to their friends and family, up from 85% in 2019.

Complaints and social listening

Last year, we managed just over 4,486 complaints – compared to 5,617 complaints in 2019 - a decrease of 20%. Our fundraising, marketing and communications operations made up 2,841 of these complaints, compared to 4,009 in 2019.

As well as direct complaints, we now actively monitor social media posts. In 2020, there were 10,030 expressions of dissatisfaction on social media about our products, services or our policies.

We want to go above and beyond, so we encourage our employees to capture all individual comments about how we can improve. This helps us stay in touch with what people want and make things better when we don't get it quite right.

Acting on feedback

We listen and apply what we learn to both existing and new products, so we can keep delivering the brilliant experience people have come to expect from Macmillan.

In 2020, we launched a number of new products, services, and upgrades. Our website and Online Community were just two examples of these upgrades and user feedback continues to help us shape these products.

Considering ethical issues

We are committed to maintaining high ethical standards, and we make sure that our activities and those of our partners and suppliers are in line with our values. We follow sector guidance and best practice, including Charity Commission guidance and the National Council for Voluntary Organisations' ethical principles.

We have a duty under charity law to maximise Macmillan's income and therefore our expenditure on charitable activities. However, it's essential that we don't let our relationships with third parties undermine our values.

Our ethics policy puts people living with cancer at the centre of our decision making, and we regularly review and update this. Our policy and procedures help us manage ethical issues, such as deciding whether to accept or refuse a donation, partner with other organisations, or make an investment.

Safeguarding everyone's welfare

We are committed to safeguarding the welfare of our employees, volunteers and everyone who receives our support. We believe children and adults have the right to protection from all types of harm or abuse. Our employees and volunteers have a duty to prevent abuse and report any safeguarding concerns.

Our safeguarding policy and training guide helps our employees and volunteers to remove, reduce and manage safeguarding risks for everyone we support and work with. We also operate two safeguarding contact numbers, which offer real-time advice and emotional support to anyone dealing with sensitive, challenging and difficult issues, 24 hours a day, seven days a week.

We want to create a safe working environment for all our employees and volunteers and our continual aim is to reduce their risk of harm when working for us. Our health and safety procedures and training are designed to keep our premises and events safe for all. We provide support and training for people who regularly work or volunteer alone in the community, as well as access to a lone worker alarm with 24/7 emergency support.

As well as offering emotional support and guidance through our Safeguarding team, we give all employees access to a 24/7/365 assistance programme and healthcare cover for additional support.

Promoting equality, diversity and inclusion

We want to be inclusive, relevant and accessible to everyone living with cancer. We value all forms of difference in employees, volunteers, professionals, people living with cancer and supporters. We work hard to understand and accommodate everyone's different needs and situations.

As well as having a significant impact on cancer care, the pandemic has brought to the forefront the health inequalities faced by many marginalised groups, especially ethnic minority communities. In response to the murder of George Floyd and the Black Lives Matter movement, we reflected and listened to our employees to understand what more we could be doing to ensure we are representative of the communities we serve. We know that we need to do more and are committed to playing our part in changing these inequalities.

A new strategy

Last year, we asked employees to tell us where they want us to focus. What we learned has informed our diversity and inclusion strategy, due to launch in the second quarter of 2021. Our new governance structure will hold us to account for the progress we want to see, and we've created resources to help gain further understanding of workplace diversity and inclusion across Macmillan.

We're also evolving our employee networks in 2021, giving them the backing they need to keep supporting their members, championing inclusion and challenging inequalities. We currently have six employee networks: BAME; LGBTQ+; Working Families; Gender Equality; Disabled Employees and Neurodiversity. They each have a senior leadership team sponsor to provide support and guidance.

Getting closer to equal pay

Our gender pay gap had reduced to a mean of 8.67% and we're pleased to say this is our lowest median since we began reporting in 2017. However, there is still more to do to reduce this further. To help reduce the gap, we regularly monitor the gap and make improvements to minimise it. As a result, we have made a commitment to increase flexible working arrangements, equip leaders to support a more diverse organisation and update our policy on family leave.

We'll reflect and represent the communities we serve in everything we do to support everyone living with cancer.

Our Executive Strategy team made five clear commitments to bring about long-lasting change for Macmillan and everyone living with cancer:

- 1 Make tackling inequality a core goal for every Macmillan service**
- 2 Focus on addressing the root causes**
- 3 More representative activities**
- 4 Greater diversity in healthcare**
- 5 Place diversity and inclusion at the heart of our organisation.**

These commitments will drive and guide the changes we make, helping us create an inclusive workplace and deliver services that represent the people we're here to support.

Caring for the environment

We recognise we have a responsibility to minimise our impact on the planet and use our resources wisely. To help Macmillan be as green as possible, we have an employee-led eco group, which works to increase environmental awareness across the charity and make connections between health and the environment.

Environmental initiatives at Macmillan include encouraging employees to recycle in our offices, exploring how we can reduce the amount of waste that goes to landfill, and using stationery products with environmental credentials. We are also working towards removing plastics from our fundraising materials and using recycled and recyclable materials instead.

Already, all our t-shirts, collection buckets and tins, and World's Biggest Coffee Morning host pack items are recyclable. And currently we're researching new products, including reusable water bottles made from sugar cane and biodegradable banger sticks and ponchos.

To reduce our carbon footprint, we offer employees access to the cycle-to-work scheme, provide remote collaboration software to reduce travelling, and we're working to reduce CO₂ emissions from our fleet cars. We also have online education and training facilities for employees to reduce travel.

Protecting personal data and sensitive information

We are committed to protecting personal and sensitive information of the people we support and our partners, professionals, employees, supporters and volunteers. To achieve our aim, we have implemented data protection by design and default to ensure Macmillan's compliance with current data protection regulation. This includes enhanced governance and accountabilities, processes and procedures, taking the appropriate technical and organisational measures to implement data protection principles and safeguard individual rights.

The Macmillan Privacy Policy tells you what you can expect us to do with your personal information when you contact us or use one of our services - providing assurance of compliance with current data protection regulation and the fundamental principles and requirements for transparency and accountability.

We have strengthened our information security management system (ISMS) to keep our data safe and we have certification to the internationally recognised ISO 27001 standard for maintaining an effective organisational-wide ISMS.

Fighting modern slavery

We want to ensure there is no modern slavery or human trafficking in our supply chains or in any part of our business. When we review our contracts, and develop new ones, we look at the possibility of modern slavery, communicate this with our colleagues, and when we feel there is potential for slavery, we take actions to change our arrangements. We continue to monitor and make improvements in our contract management and share developments with our employees.

Setting ourselves up for success

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

The likely consequence of any decision in the long term

– Our strategic objectives (pages 63-65) were developed as part of a long-term strategy to improve the lives of people living with cancer. The Board routinely reviews external developments and horizon scan for future trends, and ensures that our plans can be adapted as needed to meet changing circumstances.

The interests of the company's employees

– Our employees are vital to Macmillan and we regard ongoing, regular engagement with them as a top priority. We measure employee engagement through regular surveys and address any issues raised through this as quickly as possible. Feedback from

Our Voice, our employee representative forum, is shared regularly with our Executive Strategy team and the Board meets with representatives of Our Voice annually. We also have employee networks which have been set up to bring together and represent specific groups of employees, aimed at helping to establish a sense of community and support for these groups of people, as well as providing social and professional networks. During 2020, when all employees were working from home from March onwards, we held regular webinars to keep colleagues updated, motivated and engaged.

The need to foster the company's business relationships with suppliers, customers and others

– Our relationships with partners and suppliers are key to our effectiveness. Each will have an individual staff member as their contract manager, and we work with them closely to develop a mutually beneficial relationship. We encourage feedback from our customers so that we can learn from this to improve how we do things. Trustees receive regular reports on key supplier relationships and customer feedback. (more information on page 40 and 42)

The impact of the company's operations on the community and the environment

– We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. Our Social & Environmental Impact Policy is monitored by a Compliance & Assurance Group. (more information on pages 44)

The desirability of the company maintaining a reputation for high standards of business conduct

– Our reputation and public trust in Macmillan is fundamental to our future success. We use our organisational values in our recruitment and training for both employees and volunteers to ensure that we maintain high standards, and these are used as a performance measure in our appraisal processes. Our procurement and ethical policies and procedures ensure that our values are a key part of our selection of partners and suppliers.

The need to act fairly as between members of the company

– We aim to be a fully inclusive organisation which is relevant and accessible for anyone living with or affected by cancer. We will not unfairly discriminate against anyone. (more information on page 43)



HOW WE MANAGE THE MONEY YOU GIVE US

The impact coronavirus had on our income and the action we needed to take as a result of the pandemic is unprecedented. We are confident that we have responded in a way that addressed the income shortfall this year and enables us to have the greatest impact for people living with cancer in the future. As we navigated our way through these challenging times, we are confident that Macmillan remains a financially stable organisation and that we are positioned to be as effective as possible.



Our income

We generated income totalling £194.9 million in 2020 despite the challenges posed by coronavirus. This is thanks to our generous and loyal supporters and the huge efforts of our volunteers and employees to continue to fundraise and innovate during 2020. Although income is 16% less than 2019, it is a significant achievement in a very challenging climate.

Our income has always come mostly from fundraising activities and charitable grants and last year was no different. Overall, 97% of our income before investment income, £188.4 million, came from these sources, with the remainder coming from the Coronavirus Job Retention Scheme grant. Importantly, we have a strong and diverse portfolio of fundraising income streams, having consistently invested in fundraising for many years.

Legacy income decreased by 8% to £71.8 million, a key factor in this decrease is due to delays in legacies being processed through the probate system. As legacies remain our biggest single source of revenue, making up 37% of our total fundraised income, we will continue to invest in our long-term legacy strategy.

Our donation income is made up of multiple income streams and for 2020 totalled £97.2 million. Despite this being a 25% decrease, it is a superb achievement in challenging fundraising circumstances given social distancing restrictions. This includes money raised through national events such as the World's Biggest Coffee Morning, challenge events, corporate supporters, direct marketing, trusts and major donors as well as income generated by 284 active volunteer fundraising committees across the UK.

Grant income for 2020 totalled £8.1 million which includes £2.6 million from the Scottish government for the Transforming Cancer Care Journey Programme. We also accessed £5.1 million from the government Job Retention Scheme as a result of furloughing up to 30% of Macmillan employees during the year.

Funding our services

In total we spent £89.3 million on services for people living with cancer in 2020. Our strategic reports on pages 4 to 71 explains what we did last year and what we achieved with the money we spent.

We spent £18.1 million on our welfare rights and benefits advice services, an increase of 24% compared to 2019. Our money and work experts on our support line services identified £85 million in financial gains for people living with cancer through our Macmillan Support Line and money and work services. Our separate network of benefits advice services across the UK helped to secure a further £184 million in financial gains such as state benefits that people living with cancer were entitled to.

We increased our spend on support line services to £16.9 million, an increase of 14% compared to 2019. These support line services include our Macmillan Support Line and they reached over 102,000 people in 2020. Our expert teams provide vital support and guidance to everyone who needs it – from answering clinical questions, to helping ease money worries, or providing someone to talk to who understands what they are going through.

In 2020, we spent £9.1 million on providing grants to over 30,000 people living with cancer who are facing financial hardship, a decrease of 28% from 2019. The grants offer people a speedy lifeline when financial problems arise that relate to their cancer. They help pay for a wide variety of things – from essential items like a new washing machine, to fuel bills, or even to fund a much-needed break. The decrease is partially due to our strategic approach to introduce a model of integrated financial support which focuses on helping address financial needs much earlier in order to ensure people with cancer become less reliant on Macmillan Grants. However, another contributing factor is the decrease in professional referrals for Macmillan Grants as a result of the focus on Covid-19 within the healthcare system.

We also spent £14.8 million in 2020, a 4% decrease from 2019 on policy and campaigning to get the right support for people living with cancer.

As a charity almost entirely reliant on our generous supporters, we recognise that we can make our funds work harder and achieve much more through our partnerships than we could alone by providing grants to partners such as the NHS, local authorities and other organisations. Our grants fund new Macmillan professionals and services, to ensure everyone, now and in the future, receives personalised, all-round care that's right for them.

Today, there are over 12,000 Macmillan roles employed and managed by our partners across the UK, all working to improve the lives of people living with cancer. This includes over 6,400 nurses, over 900 support workers and over 1,500 allied health professionals. We generally fund new Macmillan professionals for a fixed period. After this time, the partner organisation takes over the funding of their salary. Macmillan continues to provide ongoing professional development and support. Funding Macmillan professionals in this way means we can support more professionals into more roles, in a sustainable way.

During 2020, we made the difficult decision to pause investment in many of the grants we give to partner organisations. This was partly in response to a reduction in our income, but also in recognition that some of our partners were struggling to fulfil these projects whilst managing the impact of coronavirus on their operations. Despite this, we still invested £28.5 million in grants with partner organisations. This included a £12.5 million Coronavirus Response Fund which enabled us to support the continuation of vital cancer services and be responsive in meeting the needs of people with cancer.

Reducing our charitable spend this year was a necessary short-term step to protect established services in response to an unprecedented event in our history, but not one we plan to repeat. In 2021 we are planning to invest over £60 million through grants to our partners.

The cost of raising our income in 2020 was £58.5 million, a 10% decrease on 2019. We will continue to keep a very close eye on all our costs and fundraising activities, to make sure that we are making the most of all our resources.

You'll find a more detailed analysis of our charitable expenditure in note 10 to the financial statements.

It has been essential to track our income and expenditure to ensure that we were responding appropriately to the impact of the pandemic and drop in income we forecasted. This agile approach enabled us to prioritise spending on services which are meeting the needs of people living with cancer through the pandemic. Examples of these include Macmillan professionals funded through the Coronavirus Response Fund and our Telephone Buddies service.

Our quarterly forecasting approach enables us to react to the changing environment in the most effective way while maintaining financial discipline. We as Trustees review the quarterly forecast through the various committees and in particular through the Finance and Audit Committee and the Charitable Expenditure Committee.

Reducing our costs

Macmillan responded to our reduction in income by taking action to make immediate savings in order to protect our ability to continue to deliver the most impact for the people we are here to support. These included pausing our annual salary review, a recruitment freeze (£6.8 million saving), moving to working from home (£3.8m saving) and making use of the government Job Retention Scheme (£5.1 million received in 2020).

New ways of working and technology to support homeworking across Macmillan enabled us to reduce our costs and we permanently closed offices in London (Millbank), York, Belfast, Bridgend and Edinburgh. This will achieve savings of approximately £1.3 million, compared to 2019.

In order to manage the impact that the coronavirus pandemic will have on our income we also took the difficult decision to reduce the size of our organisation. This was a key element of the longer-term savings we needed to make to address projected income shortfalls over the next few years. The changes create an organisation and structure that drives the most impact for people living with cancer now and in the future. At the end of 2020, we embarked on a consultation process which resulted in making 250 Macmillan colleagues redundant (including 69 voluntary redundancies). This will make a saving of £13.9 million and has been critical in building a leaner, more efficient organisation for the future. Macmillan is now made up of over 1,600 employees spread across seven directorates which are structured to support our strategy to help people with cancer live life as fully as they can. A smaller workforce, along with the continued impact of the pandemic and the changing needs of people living with cancer and our income means we need to remain agile and prepared to face tough decisions about what we prioritise in order to deliver the greatest impact.

Liquidity

As an organisation relying almost entirely on annual fundraised income, our policy has always been to hold adequate funds to enable us to react to any unexpected adverse impact on our finances. The Trustees continued to endorse a liquidity policy in 2020, as Macmillan remains in a financially strong position and is therefore able to maximise support for those living with cancer.

Under our liquidity policy, our target is to retain £100 million in investments and cash which are capable of being liquidated at relatively short notice. In addition, we will hold cash and other liquid funds to meet normal day-to-day cash flow requirements. As at 31 December 2020, our investments and cash totalled £141 million (2019: £180 million). We utilised our liquidity throughout 2020 in order to manage the effect of the pandemic on our finances, we anticipate this impact on liquidity will continue. We also plan to use it further in 2021 and beyond as part of our commitment to increase charitable expenditure to ensure we deliver the greatest impact for people living with cancer.

During this time, we are constantly reviewing our liquidity position to ensure we maintain appropriate levels of easily accessible funds, in conjunction with a specific focus on cashflow management.

Our surplus and reserves

The reported in-year operating result for 2020 is an operating surplus of £3.7 million as a result of us successfully rebalancing our expenditure (£189.8 million) against the lower income levels received in year (£193.5 million).

Our overall surplus before investment losses is £47.1 million in 2020. During the year we conducted a thorough review of our grant commitments to partner organisations which resulted in the writeback of £42 million of prior year grant commitments. A significant proportion of this was related to grants our partners were unlikely to be able to fulfil in the near term due to the impact of Covid-19. It also reflects how the impact of the pandemic limited our ability to develop new opportunities for services with the NHS and other health and social

care partners who needed to focus their attentions on their response to the emerging crisis.

As mentioned above, Macmillan operates a liquidity rather than a reserves policy. As at 31 December 2020, our general reserves totalled £53.4 million, an increase of £42 million on 2019. Designated funds totalled £3.3 million, a small increase of £0.1 million from 2019. Restricted funds totalled £20.9 million, a decrease of £0.8 million from 2019. Total reserves stood at £77.6 million, compared to £36.2 million in 2019. The increase in reserves is primarily a result of the changes in our grant liability as detailed in the previous paragraph.

Our Investments

Fixed asset investments

Our portfolio is being managed by Sarasin and Partners. As a result of the pandemic there was significant volatility in the stock markets. In order to reduce exposure to this volatility and improve liquidity, in May 2020 we instructed Sarasin and Partners to liquidate the long-term fund and most of the portfolio was transferred to the short-term fund. At 31 December 2020, our long-term fund, which includes the value of some residual holdings with our previous investment managers, JP Morgan Private Bank, stood at £3.3 million in comparison to £88.5 million in 2019. Our short-term fund totalled £96.3 million, compared to £43.5 million in 2019.

The performance of Sarasin and Partners is regularly monitored by the trustees against agreed benchmarks and trustees are satisfied with this performance. We continue to review our investment strategy with Sarasin and Partners on a regular basis. We do not directly invest in tobacco. We have made it clear to Sarasin and Partners that our funds must not be directly or indirectly invested in tobacco stocks.

In our financial statements, in addition to the above funds, our fixed asset investments also include legacy property of £0.5 million and a programme related investment of £1.5 million.

Current asset investments

Additionally, we hold funds to meet ongoing commitments. The trustees regularly monitor these funds to ensure the security of this money, as well as reviewing the performance of our investments. The trustees are satisfied that these funds are prudently invested and will continue to monitor their status closely.

Pension schemes

Our defined benefit pension scheme was closed to future accruals on 30 June 2010. We now operate a defined contribution stakeholder pension scheme for eligible employees.

The Financial Reporting Standard 102 (FRS102) valuation of our defined benefit pension scheme at 31 December 2020 showed a surplus of £8.6 million, a 21% decrease from 2019. This surplus is not recorded in the financial statements.

A formal triennial valuation was undertaken as at 31 December 2019 and showed a surplus of £1 million. The trustees regularly review the pension scheme and are confident the scheme is well run and well-funded. There are no plans to change the current investment strategy.

SECR Reporting

Streamlined Energy and Carbon Reporting (SECR) is a new set of regulations that require certain companies in the UK to disclose their energy and carbon emissions, including electricity, gas and transport.

In line with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 our energy use and greenhouse gas (GHG) emissions are set out below.

The data relates to UK emissions for the 12-month period from 1 January 2020 to 31 December 2020. The below table represents the minimum reporting requirements for the SECR regulations.

Macmillan Cancer Support Energy Use Associated Greenhouse Gas Emissions

Total Energy consumption	2,736,882 KWh
Emissions from combustion of gas (Scope 1)	179 tCO ₂ e
Emissions from combustion of fuel for the purposes of transport (Scope 1)	136 tCO ₂ e
Emissions from purchased electricity (Scope 2)	254 tCO ₂ e
Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel (Scope 3)	31 tCO ₂ e
Total gross emissions	600 tCO ₂ e
Emissions per FTE	0.34 tCO ₂ e per FTE
Total Gross Scope 1, Scope 2 (market based) & Scope 3 emissions (tCO₂e) (optional)	594

Quantification and Reporting Methodology

We report our emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). The 2020 UK Government GHG Conversion Factors for Company Reporting published by the UK Department for Environment Food & Rural Affairs (DEFRA) are used to convert energy use in our operations to emissions of CO₂e. Carbon emission factors for purchased electricity calculated according to the 'location-based grid average' method. This reflects the average emission of the grid where the energy consumption occurs. We purchased 100% renewable energy for our office in Brighton from October-December 2020 and have included an additional figure calculated using market-based factors to account for this in our report above. For Albert Embankment, Millbank, and Midhurst, some utilities are included in the rent, so benchmarking based on floor area against industry benchmarks has been used to provide estimated energy consumption at these sites. Data sources include billing, invoices and the Group's internal systems. For transport data where actual usage data (e.g. litres) was unavailable, conversions were made using average fuel consumption factors to estimate the usage.

Intensity Ratio

We have chosen to report our gross emissions against FTE staff because this metric aligns most closely to fluctuations in carbon emissions.

Energy Efficiency Action

Macmillan Cancer Support is committed to reducing the Environmental impact of our operations. In the period covered by the report, almost all PCs have been replaced by laptops to reduce energy consumption. All physical phones have been removed from the office and replaced with soft phones via laptop to reduce electricity consumption through the old digital handsets. Following the reduction of business travel due to Covid-19, we plan to sustain a reduced travel pattern and introduce a pre-authorisation procedure for travel.

How we raised our money

We raised £193.5 million in 2020 from our superb supporters and grant income.

Legacy income **£71.8 MILLION**

This is from people leaving a gift to us in their will.

Donation income - **£97.2 MILLION**

Local fundraising committees **£2.2 million**

This is donation income raised by fundraising committees in their local communities.

Fundraising events **£30.3 million**

This includes national, challenge and local events.

Corporate income **£13.9 million**

This is income from corporate supporters and partners.

Philanthropy **£5.4 million**

This includes income from trusts and major donors.

General donations **£11.4 million**

We raise lots of money from general donations by the public.

Direct marketing **£31.5 million**

This is money raised by activities like direct debit campaigns and mailings.

Donated services and facilities **£2.5 million**

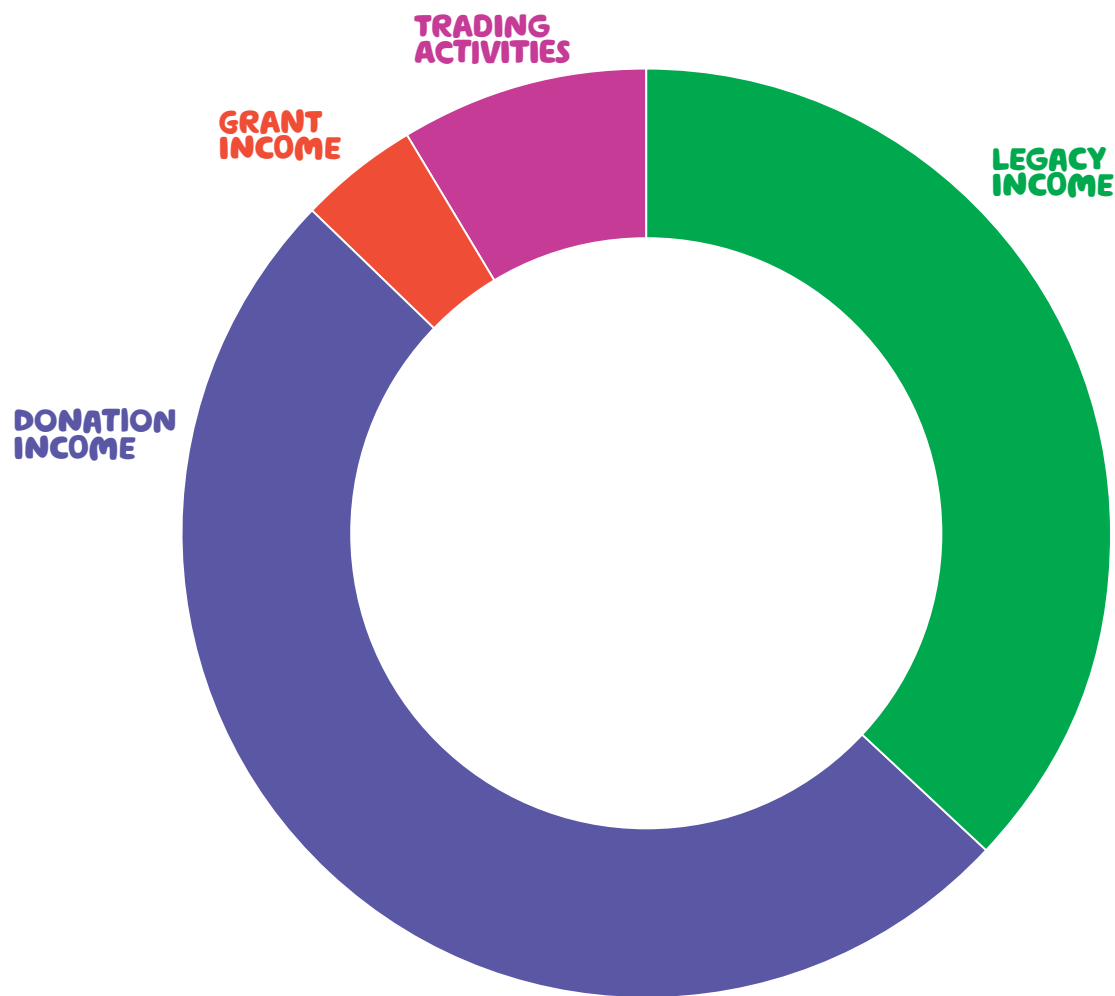
This is services and facilities donated to us.

Grant income **£8.1 MILLION**

This income comes from specific grants given to support Macmillan initiatives.

Income from trading activities **£16.4 MILLION**

This includes income from our raffles and lotteries, fundraising committee sales, our online shop, licensing and royalties.



Total income before investment income

£193.5 million

Investment Income

£1.4 million

Total income
£194.9 million

How we spent our money

We spent £128.3 million on services for people affected by cancer.*

Healthcare **£22.3 MILLION**

We fund and support a range of health and social care professionals.

Information and support **£25.5 MILLION**

We provide people with information to help them make important decisions about their treatment and care.

Financial Support **£33.5 MILLION**

We provide financial support to help people who are struggling with the cost of cancer, including through Macmillan grants, benefits advice and financial guidance.

Practical and emotional support **£11.5 MILLION**

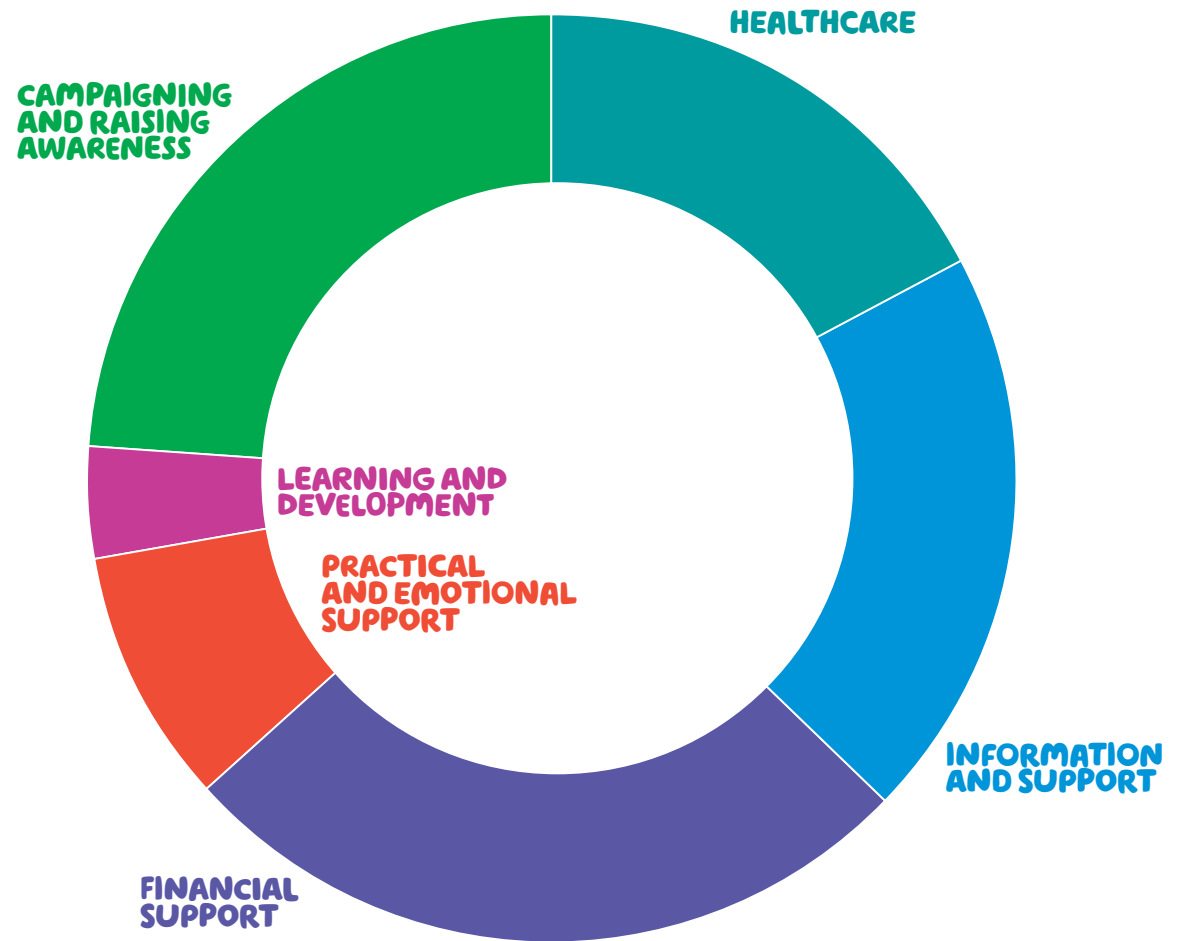
We help people find the emotional support they need and get help with the practical issues arising from cancer.

Learning and Development **£5.2 MILLION**

This includes providing training opportunities for professionals, volunteers and people affected by cancer.

Campaigning and raising awareness **£30.3 MILLION**

We campaign for changes to improve the lives of people affected by cancer and raise awareness of issues most important to them.



Total expenditure on charitable activities

£89.3 million

Expenditure on raising income

£58.5 million

Total
£147.8 million

* Figure does not include grant writebacks and discounting adjustments

In year charitable expenditure	£128.3 million
Prior year grant writebacks and discounting adjustments	-£39 million
Total expenditure on charitable activities	£89.3 million

PRINCIPAL RISKS AND UNCERTAINTIES

We define risk as anything that can adversely affect our ability to achieve our objectives for people living with cancer, sustain our operations, maintain our reputation or meet regulatory requirements. We see risk as being inherent in what we do and the decisions we make. We seek to understand the risks we face or create and plan to operate within an acceptable level of risk-taking. However, we also know that we must innovate and take risks to reach and improve the lives of people living with cancer. Our approach to risk management follows the recommendations of the Charity Governance Code.

Risk management process

We ask all our employees, in everything they do, to be aware of the risks and opportunities in what they are trying to achieve, to assess the potential seriousness and chance of them occurring and to manage them for the benefit of our stakeholders.

Risk assessment

More formally, as part of our planning and review cycle, teams throughout the organisation (e.g. directorate teams, programme teams and operational risk managers) assess their risks each quarter to input into the Risk & Compliance Group as well as to agree these with their respective Executive Directors. Risks have been linked to Macmillan's planning cycle to ensure we add more value to the process and content. As well as identifying things that could go wrong, we look for opportunities we might miss for further growth and a sustainable future, as missing these could also stop us improving the lives of people living with cancer. Risks are scored for the impact they would have and how likely they are to happen. Each risk has an identified owner. All corporate risks are assigned to the relevant sub-committee as agreed at our executive Performance & Risk Board and confirmed at the Finance & Audit Committee of the main Board.

Appropriate level of risk

Key to assessing our risks is establishing our risk appetite, the amount of risk we are prepared or able to accept in pursuit of our purpose. Risk appetites can be different for different situations, depending on the extent of benefit we are aiming for and the availability of effective controls. If we are faced with too much risk, the risk owner may need to take further mitigating actions to reduce the risk; if not enough risk is being taken to generate the expected benefit, then we may need to reduce some mitigating actions or look for ways to find more benefit. For instance, we may be willing to be more risk seeking in the pursuit of new initiatives but would be intolerant of any activities that could produce compliance issues.

For our principal risks, formal risk appetites are codified in our policies and procedures to provide direction and boundaries for consistent, risk-aware decision making for our risk owners. As the environment in which we operate changes, along with stakeholder expectations and our priorities, we may have to adapt our risk appetites. Ultimately, we recognise that we may not always be able to prevent individual incidents, but risk owners will still look to reduce the impact that risks may have and the likelihood they may occur to an appropriate level.

Management review

This has been a unique year for Macmillan in a pandemic. All risks have been reviewed monthly at the Performance & Risk Board meetings to ensure all our Executive Directors, our CEO, Chief Operating Officer and Chief Financial Officer monitor all our corporate risks monthly as a group. We also conducted a Risk Horizon Scanning exercise with Executive Directors and their nominated Directors to map future existential risks for Macmillan. We continue to regularly engage with all our trustees, especially via the Finance & Audit Committee meetings to ensure we review and scrutinise every risk. Macmillan has always reviewed its risks and compliance metrics through regular meetings with risk leads from each directorate. This continued throughout the pandemic and depending on the need, frequency of these meetings increased. However, we are in a position now that risk leads meet quarterly and our Performance and Risk Board receives quarterly internal reports on compliance and risk metrics.

The corporate risk register is an organisational-wide summary of our risk profile and corresponding mitigating actions to help management validate our performance and sustainability and then present to the trustees for scrutiny and approval. Regular ongoing reviews of risk management plans inform our strategic planning, change management, operational decision making; they also feed into our assurance framework, including our annual Internal Audit Plan.

Governance

Our risk management process is supported by our governance structure. Our trustees and executive management recognise the importance of maintaining a strong system of internal controls, supported by these risk management activities and assurance mechanisms, including internal and external audit. Whilst our executive management are responsible for the day-to-day operation of our risk processes; our trustees are responsible for ensuring there is an effective risk management process and an appropriate internal control environment. Executive management are informed by our directorate leadership teams, a Performance and Risk Board and a Risk and Compliance Group. They present updates to the Finance and Audit Committee which reviews the principal risks and provides oversight of the risk management process, so that the Treasurer can report annually on the effectiveness of the risk management process to our Board of Trustees.

Our risk profile

To help us analyse our risks, we identify and categorise our risks into three broad areas: strategic, operational and regulatory, and financial. We have a clear and compelling programme of strategic initiatives designed to reach even more people living with cancer, improve standards of care and support and help people living with cancer live life as fully as they can. This is being rolled out pragmatically, informed by our understanding of what people living with cancer need and want, learning as we progress. However, there continues to be significant change and uncertainty in the external environment in which we operate: the ongoing impact and potential persistence of Covid-19; major changes to NHS and social care structures, cuts to public spending, an uncertain economic outlook and a competitive charitable sector. We remain agile by monitoring and adjusting our focus as needed. Operationally, as we grow and change we are looking continually for new and more efficient ways of delivering our services, such as listening to people living with cancer, improving the way we work with partner organisations, our volunteers and employees, and enhancing our technological support. This is against a background of continuing pressure on donors' finances. Changes in regulation,

particularly regarding data protection, require investment and changes to policies and procedures. Financially, we have carefully reviewed the level of reserves we need to safely sustain our operations, so we can deploy as much as possible for our strategy and make more of a difference for people living with cancer.

Throughout the year, we stay alert for changes, both externally and internally, and make adjustments to keep us on track to achieve our objectives, sustain our operations, maintain our reputation and meet regulatory requirements.

Each risk category is described in more detail on the next page, along with our approach to managing them.

Strategic risk: due to planning assumptions on future activities and growth that are no longer valid, plans that we can no longer deliver or changes to the external environment that we cannot manage, especially monitoring the impact of Covid-19.

- We ensure that all our employees, volunteers, fundraisers and stakeholders are safe and supported during the duration of the pandemic. We took the decision to encourage employees to work from home from March 2020. We cancelled our major face-to-face events and instead promoted online fundraising activities. We also ensured volunteering was a dynamic risk-based decision based on individual circumstances of people living with cancer and also our volunteers. Every decision we took was in line with national government guidance. Our priority remains to ensure safety and support for everyone we work with and work for.
- We work with all stakeholders, key decision makers and influencers in government, local authorities and the NHS and people living with cancer to understand their needs, develop policy positions and demonstrate the benefit we can provide. This has been particularly challenging during Covid-19 due to restrictions and lockdowns, but Macmillan has been able to continue to support people living with cancer as well as launch our 'Forgotten 'C' campaign'.
- Annually, a defined strategic planning process analyses the external and internal environment, develops objectives, initiatives and plans for delivery. It is supported by a programme management function and a communication programme to inform employees and volunteers of our strategy and progress.
- We have policy and procedures to help us understand what ethical issues to consider when making decisions, such as where to invest charitable funds, what donations we can accept, or which partners, suppliers or individuals to work with.
- Delivery of our strategy is managed through our performance management processes, which are actively monitored by our Performance & Risk Board.

- We invest in our brand to promote what we can do to help people living with cancer and engage with existing and new supporters. We protect our brand consistency and integrity through guidelines, training, trademarks, licences and review processes.
- We look to protect our future by maintaining a diverse mix of income streams; assessing the need for local and national improvement in cancer services, now and in the future; engaging with current partners to deliver services with us and developing new relationships; and constantly innovating to stay competitive.
- We continue to respond to the impact of Covid-19 over three time-horizons: the end of 2020, end of 2021, 2022 onwards (6 months, 18 months and 3-5 years).
- We have a process to review our strategic objectives and finances across the 18-month and 3-year period.
- We have an established annual plan and budget process into which we will feed any changes to the strategy, plans or budget resulting from the ongoing uncertainty.

Operational and regulatory risk: due to failures in operational processes or failures to meet regulatory standards, including in areas such as fundraising, partnerships, talent, safeguarding, health and safety, security, data protection, and business continuity.

- We have policies, procedures and governance structures to monitor and mitigate operational risks and major incidents, including understanding our regulatory requirements.
- We recruit and manage people, informed by clear role profiles and an operating model showing our current and future needs. Macmillan ensure that all our recruitment eliminates any account of unconscious bias and encourages applications from all candidates regardless of background.
- We provide learning and development opportunities, benchmark our benefits with comparable organisations and engage with employees through forums and surveys.
- Specialist compliance training is delivered to employees in key

areas to build their skills and ensure awareness of compliance requirements. A stocktake of all completed mandatory training is reviewed at an Executive level in the Performance & Risk Board meetings, chaired by the Chief Operating Officer.

- Information Security, Health and Safety, Safeguarding and Counter-Fraud policy and procedures have been benchmarked against recognised standards. Our Privacy Policy ensures we understand the information governance behind our use and retention of data and we act responsibly in line with the Information Commissioner's Office best practice.
- Processes are in place to prevent and detect fraud, including annual internal audits designed to test the effectiveness of key financial controls and a whistleblowing helpline.
- Contingency planning, incident management and crisis management arrangements are in place. Our business continuity worked effectively during the course of the pandemic on all areas of work.

Financial risk: due to insufficient funds to meet our charitable objectives, failure to spend our money well or errors in reporting our performance. A thorough scrutiny of all our financial decisions and investments is undertaken by our Trustees at the Finance and Audit Committee meetings

- We monitor our financial performance, liquidity and solvency through a system of financial reporting that compares actual results against the phased annual budget and latest quarterly forecast on a monthly basis. In addition, we prepare longer-term financial forecasts aligned to our strategic plans, incorporating scenarios, to confirm our longer-term solvency.
- Financial instrument borrowings are not used, and our investment and reserves policies are set, with input from external advisers, to ensure we manage our risks and have adequate liquidity and solvency to meet our ongoing liabilities.
- In our investment activities, foreign exchange forward and options contracts are used to hedge exposure resulting from any risk of changes in foreign currency rates. All other assets and liabilities are held in sterling.

- Credit risk on amounts owed in respect of incoming resources is low.
- Investment policies, delegation of authorities, procurement and expenses policy are in place.
- We have defined accounting policies and financial controls for accurate and timely reporting.

Additional pervasive feedback and assurance controls

- We have complaints and grievance procedures and an anonymous whistleblowing hotline to enable appropriate reporting and consideration of internal and external stakeholders' concerns, and individual comments on how we can improve.
- An annual internal audit programme tests the existence and effectiveness of key controls, supplemented by external reviews.

LOOKING FORWARD

Our determination to do whatever it takes for people living with cancer is unwavering. We remain committed to deliver on our objectives, which outline how we will support everyone living with cancer to live life as fully as they can. A robust plan for this year identifies how we will make progress in achieving them.

We have adapted our plans to respond to Covid-19, the impact it has had on people living with cancer, our partners and our ability to raise funds. The continued effect the pandemic has had on our income means we continue to face tough decisions about what we prioritise to deliver the greatest impact.

The environment we work in is constantly changing. We will remain agile and responsive as circumstances develop, and we will always put the needs of people living with cancer at the heart of everything we do.

1. Everyone with cancer will know that they can turn to Macmillan and how we can help them from the moment they are diagnosed.

In 2021 we will:

- Increase our marketing to reach people with cancer from the point of diagnosis, focusing on those most in need of our support.
- Increase the number of people we reach through the Macmillan Support Line and Online Community.
- Make the cancer information on our website easier to access and continue to market it so that we reach more people.

2. Everyone with cancer will have a conversation about all their needs and concerns and the support that's right for them.

In 2021 we will:

- Continue our work to influence government to protect and prioritise cancer services.
- Work with partners and organisations providing cancer care to ensure people have more conversations about their needs and the support they can access.
- Deliver a new learning system and development offer to Macmillan professionals to support them in their work to care for people living with cancer.

3. Everyone with cancer will have their vital needs met by high quality services.

In 2021 we will:

- Maintain our investment in financial support so that people can get help with all their financial concerns.
- Develop and test new services to support the emotional needs of people living with cancer.

4. We'll inspire more people to give to Macmillan so we can continue to be there for people when they need us most.

In 2021 we will:

- Make it easier and more rewarding to support us by improving the experience for donors and volunteers.
- Continue to develop new ways of raising money.

5. We'll improve the key activities which support Macmillan to do its work as efficiently and effectively as possible.

In 2021 we will:

- Support and engage our employees and volunteers so they can be as effective as possible in their work.
- Continue making improvements to our structure, systems and ways of working to ensure we spend as much money as possible on supporting people living with cancer.

6. We'll reflect and represent the communities we serve in everything we do to support everyone living with cancer:

- Create a fairer way for people from a diverse range of backgrounds to join Macmillan as employees and volunteers, to flourish when they are here and to be better supported if they come across challenges in their role.
- Investigate how we can champion diversity and inclusivity in our work for, with, and through the cancer workforce.
- Plan how we can make our own services more inclusive and accessible to all communities and support our partner organisations to do the same.

GOVERNANCE

Structure and Management

Macmillan Cancer Support is a company limited by guarantee and a registered charity. Macmillan is governed by its Articles of Association, which sets out the Charity's powers and authorities.

The objects of the Charity included in the Articles of Association are:

- a) to provide support, assistance and information directly or indirectly to people affected by cancer
- b) to further build cancer awareness, education and research
- c) to promote and influence effective care, involvement and support for people affected by cancer.

The Board of Trustees (Board) is ultimately responsible for the overall control and strategic direction of the Charity and for the protection of its assets. Day-to-day management is delegated to the Chief Executive, Lynda Thomas, and the Executive Directors who comprise the Executive Strategy team (see page 70).

Board of Trustees

The trustees are also directors under company law, and are our company members. They are appointed by the Board for a term of three years and normally serve a maximum of three terms. The Board's Nominations Committee reviews the structure, size, composition (including the skills, knowledge and experience) of the Board, considers succession planning, and makes recommendations on appointments to the Board. The trustees all give their time to Macmillan on a voluntary basis and receive no remuneration. Out-of-pocket expenses may be reimbursed.

When recruiting new trustees, the Board aims to attract a diverse range of candidates who have the skills the Charity needs. It values the benefits of having members with different backgrounds, expertise and

experience. Ultimately, though, all Board appointments are based on merit, in the context of ensuring that we have an appropriate balance of skills and experience. During 2020 we recruited two new trustees. All new trustees undertake an induction programme, which includes coverage of the Charity's aims and how they are being fulfilled, the role and duties of the trustees, company and charity law and governance, and financial and risk management. Trustees meet with the Chief Executive, members of the Executive Strategy team and others. Additional training is arranged as required for individual trustees or for the Board as a whole. Normally the induction would include visits to Macmillan services, however visits of this nature were not possible during 2020 due to Covid-19. These will recommence in due course.

The trustees who served during the year and up to the date of this report are as follows:

Dr Jag Ahluwalia (Chair of Charitable Expenditure Committee)

Iain Cornish (Treasurer and Chair of Finance and Audit Committee)

Jane Cummings CBE

Andrew Duff (to 29.07.20)

Professor Timothy Eisen

Rachel Higham (appointed 01.09.20)

Kate Howe

Sue Langley OBE (Chair of Remuneration Committee)

Feilim Mackle (Chair of Fundraising Marketing & Communications Committee)

Mohammed Mehmet

Richard Murley (Macmillan Chair and Chair of Nominations Committee)

Dame Una O'Brien DCB

Nick Owen (appointed 01.09.20)

Toby Strauss

Mark Ware

Sue Langley and Una O'Brien will stand down from the Board in July 2021 after each serving one term. Timothy Eisen will leave the Board in July 2021 after serving for 10 years.

During the year and up to the date of approval of the Trustees' report, there was a qualifying third-party indemnity in place for directors, as allowed by Section 234 of the Companies Act 2006.

How the Board works

In addition to receiving regular reports from the Chief Executive and Executive Directors, the Board is advised on clinical matters by the Expert Advisory Board and is informed by the views of the Volunteer Forum, which consists of both national and regional groups, and whose Chairman reports to the Chair of Macmillan's Board. Trustees may also, when appropriate, take independent professional advice.

Conflicts of interest are considered at each meeting and the Company Secretary maintains a register of conflicts.

The Board and its committees meet regularly during the year, including holding an annual strategy day which helps trustees and the Executive Strategy team to focus in more depth on the Charity's long-term strategic direction. In light of the ongoing pandemic in 2020, all trustee meetings from March onwards were held by video conference, with additional meetings being arranged to ensure that the Board and the Executive could respond appropriately to ongoing developments.

A framework of delegation is in place to set out matters delegated to committees of the Board or to the Executive or other staff. This is regularly reviewed and updated as necessary.

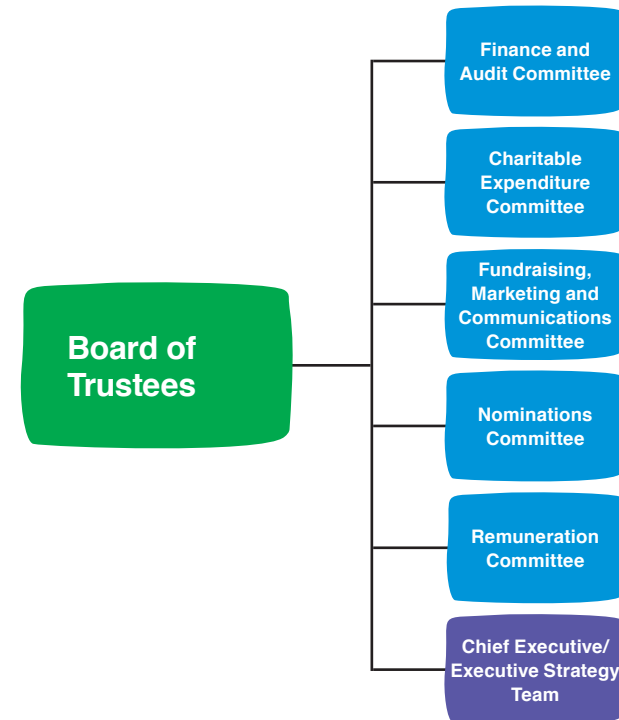
Board Committees

The Board has delegated specific responsibilities to its committees, each of which has detailed terms of reference and reports to the Board. The remit of the committees is reviewed regularly to ensure they continue to work well.

Finance and Audit Committee: Monitors the financial performance of the Charity, the performance of Macmillan's investments and our investment strategies, financial reporting, planning and budgeting processes, compliance, corporate risk and our internal and external audit arrangements.

Charitable Expenditure Committee: Reviews charitable expenditure and activities against strategic corporate priorities agreed by the Board.

Fundraising, Marketing & Communications Committee: Oversees the Charity's fundraising, marketing and communications strategies and ensures that the Charity follows high standards of fundraising practice



Nominations Committee: Considers the membership of the Board and recommends potential new trustees for election. This committee also keeps under review succession planning in respect of Honorary Officers and the Chief Executive and oversees Board effectiveness reviews and action plans resulting from such reviews.

Remuneration Committee: Determines and recommends to the Board the overall policy for the remuneration of the Charity's employees and keeps an oversight on people issues and related policies.

Number of meetings held in 2020

Board of Trustees	8
Charitable Expenditure Committee	4
Finance and Audit Committee	8
Fundraising Marketing, & Communications Committee	7
Remuneration Committee	2
Nominations Committee	1

Board review

The Board regularly undertakes a review of its effectiveness to identify any improvements to the Board's governance and ways of working or any training needs. The Board supports the principles of good governance set out in the Charity Governance Code and uses the Code to evaluate its effectiveness. A full Board review is normally held at least every two years, and the performance of individual trustees is assessed each year.

Our last externally facilitated in-depth Board governance review was undertaken in 2018. An in-house review was planned for 2020 but was deferred due to the pandemic. The Board has since commissioned an external review which will take place in the second half of 2021.

Statement of responsibilities of the trustees

Macmillan's trustees, who sit on Macmillan's Board and are also directors of Macmillan Cancer Support for the purposes of company law, are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), with 'United Kingdom Generally Accepted Accounting Practice' comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law. Company law requires the trustees to prepare accounts for each financial year that give a true and fair view of the state of affairs of the Charitable Company and the Group, and of the incoming resources and application of resources, including the income and expenditure of the Charitable Group for that period. In preparing these financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards, comprising FRS 102 have been followed, subject to any material departures being disclosed and explained in the financial statement
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Charitable Company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy the financial position of the Charitable Company at any time and provide financial statements which comply with the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the Charitable Company and the Group, and taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees have overall responsibility for Macmillan's internal controls, while the Finance and Audit Committee reviews internal risks and monitors how well the trustees manage these risks.

In so far as the trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditors are unaware
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees confirm that they have complied with their duty under the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

Macmillan has its registered office in London, as well as additional offices in Glasgow and Shipley.

Legal and administrative details

As at 31 December 2020

Status

The organisation is a charitable company limited by guarantee, incorporated on 30 June 1989 and registered as a charity in England and Wales on 21 June 1989 and in Scotland on 1 October 2008.

Within this document, the Company is variously referred to as Macmillan, Macmillan Cancer Support and the Charity.

Governing document

The organisation was established under a Memorandum of Association and is governed under its Articles of Association (last amended 25 July 2019), which establish the objects and powers of the organisation.

Company number 2400969
Charity number 261017
Scottish charity number SC039907

Registered office and operational address

89 Albert Embankment
London SE1 7UQ

Patron

HRH The Prince of Wales

President

The Countess of Halifax

Deputy Presidents

Jamie Dundas
Julia Palca

Chair

Richard Murley

Treasurer

Iain Cornish

Company Secretary

Elsbeth Cox MVO

Chief Executive

Lynda Thomas

Executive Strategy Team

Chief Financial Officer

Steve Clayton

Chief Operating Officer

Simon Phillips

Fundraising, Marketing and Communications

Claire Rowney

People

Kathy Taylor

Technology

Declan Hunt

Bankers

NatWest
280 Bishopsgate
London EC2M 4RB

Investment Managers

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Macmillan Defined Benefit Pension Scheme Actuary

Declan Keohane
First Actuarial LLP
Network House
Basing View
Basingstoke
Hampshire
RG21 4HG

Further information

Subsidiaries

Macmillan Cancer Support has seven subsidiary companies:

- During 2020 we transferred the business of Macmillan Cancer Support Sales Limited into Macmillan Cancer Support Trading Limited. Macmillan Cancer Support Trading Limited, which sells Christmas cards and other items, and carries out fundraising trading activities, continued to operate during 2020, and all of its profits were transferred to the Charity.
- Macmillan Cancer Support Enterprises Limited, which was originally established to provide design and construction services to Macmillan Cancer Support, was dormant throughout 2020.
- Macmillan Cancer Information Lottery Limited, Macmillan Financial Grants Lottery Limited, Macmillan Healthcare Lottery Limited and Macmillan Influencing Cancer Care Lottery Limited, which all operate society lotteries, continued to operate during 2020. All of their profits were transferred to the Charity.
- Cancerbackup was dormant throughout 2020.
- Note 7 to the financial statements summarises the results of the subsidiaries, which performed satisfactorily in 2020.

Related parties

Details of other related parties and connected organisations can be found in Note 26 to the financial statements.

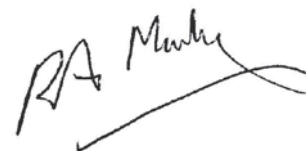
Basis of preparation

The trustees' report and the financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' and Financial Reporting Standard 102.

Independent Auditors

PricewaterhouseCoopers LLP is the Group and Charity's auditors. A resolution will be proposed by the charity's members that PricewaterhouseCoopers LLP is reappointed as auditors for the ensuing year.

The trustees' report, including the strategic report on pages 4 to 71, was approved by the board of trustees and authorised for issue on 15 June 2021.



Richard Murley, Chair

Independent auditors' report to the members and trustees of Macmillan Cancer Support

Report on the audit of the financial statements

Opinion

In our opinion, Macmillan Cancer Support's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the Group's incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Group and Charity balance sheets as at 31 December 2020; the consolidated statement of financial activities (including an income and expenditure account) and consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and parent charitable company's ability to continue as a going concern. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon.

The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Trustees' Annual Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) require us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Group and parent charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Annual Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of responsibilities of the trustees, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Group's and parent charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to

liquidate the Group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and parent charitable company/industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and the manipulation of key accounting judgements and estimates. Audit procedures performed included:

- enquiry of management and the board of trustees, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reading minutes of meetings of the board of trustees and board subcommittees, including the Finance and Audit Committee;
- reviewing terms and conditions of significant contracts;
- reviewing correspondence with regulators including the Charities Commission for England and Wales and the Office of the Scottish Charity Regulator;
- understanding and evaluating the Group's control environment;
- identifying and testing journal entries, including journal entries posted with unusual account combinations to income or expenditure accounts;
- testing the recognition of grant expenditure against the terms of the grant awards;
- assessing the reasonableness of key accounting judgements and estimates including accrued legacy income; and

- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the parent charitable company's members and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of The Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Matters on which we are required to report by exception

Under the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate and proper accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Philip Stokes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 June 2021

Consolidated statement of financial activities
(including an income and expenditure account)

For the year ended 31 December 2020

Income	Note	Unrestricted £'000	Restricted £'000	2020 Total £'000	Unrestricted £'000	Restricted £'000	2019 Total £'000
Legacies, donations and grants:							
Legacy income	2	66,549	5,267	71,816	70,727	6,995	77,722
Donation income	3	87,549	9,648	97,197	117,678	12,706	130,384
Grant income	4	5,149	2,937	8,086	26	2,056	2,082
Total legacies, donations and grants		159,247	17,852	177,099	188,431	21,757	210,188
Income from trading activities	5	16,370	81	16,451	17,518	1,328	18,846
Total income before investment income		175,617	17,933	193,550	205,949	23,085	229,034
Investment income	6	1,339	-	1,339	3,799	-	3,799
Total income		176,956	17,933	194,889	209,748	23,085	232,833
Expenditure							
Expenditure on raising income	9	58,173	299	58,472	64,611	299	64,910
Expenditure on charitable activities	10	70,933	18,398	89,331	156,974	23,855	180,829
Total expenditure		129,106	18,697	147,803	221,585	24,154	245,739
Net income/(expenditure) before (loss)/gain on investments		47,850	(764)	47,086	(11,837)	(1,069)	(12,906)
Net (loss)/gain on fixed and current asset investments		(5,721)		(5,721)	14,419	-	14,419
Net income		42,129	(764)	41,365	2,582	(1,069)	1,513
Transfers between funds	25	-	-	-	-	-	-
Net movement in funds		42,129	(764)	41,365	2,582	(1,069)	1,513
Reconciliation of funds							
Total funds brought forward		14,550	21,693	36,243	11,968	22,762	34,730
Total funds carried forward	25	56,679	20,929	77,608	14,550	21,693	36,243

No corporation tax was payable by the Group or Charity for the year ended 31 December 2020 (2019: £nil).

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 25 to the financial statements. The notes on pages 77-105 form part of these financial statements.

Balance sheets

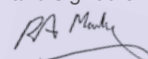

Company Number 2400969

As at 31 December 2020

	Note	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Fixed assets					
Tangible assets	13	7,633	7,679	7,633	7,679
Investments	14	101,695	133,893	101,695	133,893
Total fixed assets		109,328	141,572	109,328	141,572
Current assets					
Stocks and property awaiting sale	18	311	1,158	28	938
Debtors	19	66,974	66,558	70,935	70,252
Investments	15	28,355	39,337	28,355	39,337
Cash at bank and in hand	16	11,384	6,564	5,360	863
Total current assets		107,024	113,617	104,678	111,390
Liabilities					
Creditors: amounts falling due within one year					
Grants committed not yet paid	20	(54,710)	(68,141)	(54,710)	(68,141)
Other creditors and deferred income	21	(14,576)	(13,151)	(12,230)	(10,924)
Net current assets		37,738	32,325	37,738	32,325
Total assets less current liabilities		147,066	173,897	147,066	173,897
Creditors: amounts falling due after more than one year					
Grants committed not yet paid	20	(68,733)	(136,920)	(68,733)	(136,920)
Provisions for liabilities	23	(725)	(734)	(725)	(734)
Net assets	24	77,608	36,243	77,608	36,243
The funds of the charity					
Restricted income funds		20,929	21,693	20,929	21,693
Unrestricted funds:					
Investment revaluation reserve		(3,187)	10,163	(3,187)	10,163
Other general funds		56,562	1,203	56,562	1,203
Total general funds		53,375	11,366	53,375	11,366
Designated funds		3,304	3,184	3,304	3,184
Total unrestricted funds		56,679	14,550	56,679	14,550
Total funds of the charity	25	77,608	36,243	77,608	36,243

The net income for the year of the parent Charity was £41,365,000 (2019: £1,513,000 net income).

The financial statements, including the notes on pages 77-105, were approved by the Board of Trustees and authorised for issue on 15 June 2021, and signed on its behalf by;

Richard Murley - Chair, Iain Cornish - Treasurer.

Consolidated cash flow statement

For the year ended 31 December 2020

	Note(s)	2020 £'000	2019 £'000
Net income for the year (as per the statement of financial activities)		41,365	1,513
Adjustments to exclude non-cash items and investment income			
Depreciation	13	510	428
Decrease in grant commitments, other creditors and deferred income	20,21	(80,193)	(5,623)
(Decrease)/increase in provisions	23	(9)	201
Decrease/(increase) in stocks and property awaiting sale	18	847	(1,074)
(Increase)/decrease in debtors	19	(416)	4,030
Losses/(gains) on fixed and current asset investments		5,721	(14,419)
Investment income	6	(1,339)	(3,799)
Shares and investments acquired via legacies and gifts	14	-	(59)
Loss on programme related investment	14	279	144
Net cash used in operating activities		(33,235)	(18,658)
Cash flows from investing activities			
Investment income	6	1,339	3,799
Purchase of tangible assets	13	(464)	(576)
Payments to acquire fixed asset investments	14	(995)	(3,640)
Proceeds from sales of fixed asset investments	14	-	53
Proceeds from sales of current asset gifted properties		554	-
Payments into current asset investments		(88,618)	(106,920)
Withdrawals from current asset investments		99,600	84,112
Transfer to cash and cash equivalents	14	26,639	41,262
Transfer to stocks and property awaiting sale	14	-	413
Net cash provided by investing activities		38,055	18,503
Change in cash and cash equivalents in the year		4,820	(155)
Cash and cash equivalents at the beginning of the year		6,564	6,719
Cash and cash equivalents at the end of the year	16	11,384	6,564
Reconciliation of net debt			
	At start of year	Cash flows	At year end
Cash	6,564	4,820	11,384

Notes to the financial statements For the year ended 31 December 2020

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, modified to include the revaluation of investments to fair value, and in accordance with applicable accounting standards in the United Kingdom, the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' and Financial Reporting Standard (FRS) 102, together with the reporting requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

These financial statements consolidate the results of the Charitable Company and its wholly owned subsidiary companies; Macmillan Cancer Support Trading Limited, Macmillan Healthcare Lottery Limited, Macmillan Financial Grants Lottery Limited, Macmillan Cancer Information Lottery Limited and Macmillan Influencing Cancer Care Lottery Limited on a line-by-line basis. During 2020 all the assets and liabilities of Macmillan Cancer Support Sales Ltd were acquired by Macmillan Cancer Support Trading Ltd as part of the merger of these subsidiary trading companies. Uniform accounting policies are adopted across the Group and inter company transactions are eliminated on consolidation. Cancerbackup was dormant in 2019 and 2020 and Macmillan Cancer Support Enterprises was dormant in 2020 and as such both are excluded from the consolidated financial statements. The Charity also has an investment in an associate which is a programme related investment and is accounted for under the equity method in the consolidated financial statements, see note 14. A separate Statement of Financial Activities for the Charity itself is not presented as allowed by Section 408 of the Companies Act 2006 and paragraph 5.1 of the SORP 2015. The income of the parent

Charity was £189,917,000 (2019: £225,249,000) and the expenditure was £142,831,000 (2019: £238,155,000). The net surplus of the Charity after recognised losses of £5,721,000 (2019: £14,419,000 gains) was £41,365,000 (2019: £1,513,000). The Charity has taken advantage of the exemption from preparing a Cash Flow Statement under FRS 102 Section 1.12(b). The cash flows of the Charity are included in the Consolidated cash flow statement.

The accounting policies have been consistently applied across the Group from year to year in accordance with FRS 102.

Critical accounting estimates

In the preparation of the financial statements, accounting estimates are made. The most significant areas of estimation that affect items in the financial statements are to do with estimating the accrued legacy income for the year and the discount applied to grant commitments not yet paid falling due after more than one year to adjust the valuation to its present value.

In calculating the value of a legacy estate, we apply an estimated deduction for costs incurred in administering the legacy of 8%. This is based on the average costs that have been incurred over a three-year period. If we were to use a 10% deduction, the deduction would increase by £1,424,000. See note 1, 'Legacy income' and notes 2 and 19 for more information on the accrued legacy income. See note 1, 'Grant commitments' and notes 17 and 20 for more information on grant commitments.

Critical accounting judgements

In the preparation of the financial statements, accounting judgements are also made. The most significant areas of judgement that affect items in the financial statements relate to donated goods and services and the defined benefit pensions surplus. No amount is included for items where

Macmillan would not have paid for the donated good or service under ordinary circumstances. Further detail on donated goods and services can be found in note 1 'Donation income'. As per FRS 102, Macmillan can only recognise a surplus on its defined benefit pension scheme if there is a right to a refund. Such a refund would only occur on wind up of the scheme as there are no other provisions for a refund in the consolidated scheme rules. Macmillan believe that they do not have sufficient control over the surplus to be able to recognise the asset as they cannot be certain of the surplus figure continuing to be so in the future and the balance may not continually be recoverable. Macmillan have therefore exercised judgement in not recognising this asset on the consolidated balance sheet. If we were to recognise this, it would result in an asset of £8,565,000. See note 1, 'Pensions' and note 29 for more information on the defined benefit pension scheme.

Going concern

In determining the appropriate basis of preparation of the financial statements for the year ended 31 December 2020, the trustees are required to consider whether Macmillan Cancer Support can continue in operational existence for the foreseeable future.

The Board has undertaken a rigorous assessment of the financial forecasts with specific consideration to the impact of the continuing Covid-19 pandemic. The forecasts have taken account of current restrictions and schemes in place to support the Charity and made assumptions about the speed of recovery of key activities and income streams based on current plans for removal of restrictions.

As at 31 December 2020, Macmillan had cash and investment balances of over £135 million as outlined in the liquidity and reserves sections of the annual report, well above the target minimum liquidity of £100 million that the trustees have set

1. Accounting policies (continued)

in order to remain in a financially strong position and be able to maximise support for those living with cancer. Post year end, Macmillan liquidated the remainder of its long-term investments held by Sarasin & Partners into the short-term fund, in order to reduce exposure to this volatility and improve access to liquid funds. This provides additional assurance that Macmillan can continue to meet its obligations as they fall due.

In the context of our investment and cash reserves, the trustees reviewed financial forecasts beyond a period 12 months from the approval of the financial statements.

The trustees, after reviewing Macmillan's budgets, business plans, cash flow forecasts and investment and cash reserves, consider that the Group and Charity have sufficient resources and liquidity available at the date of approval of this report and for a period of at least 12 months. Accordingly, the trustees are satisfied that it is appropriate to adopt the going concern basis in preparing the Annual Report and Accounts.

Taxation

As a registered charity, the Charity benefits from rates relief and is exempt from corporation tax on its charitable activities but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates. The subsidiary undertakings do not generally pay direct tax because their policy is to Gift Aid their taxable profits to the Charity.

Legacy income

Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received. Residuary legacies are recognised as receivable once probate has been granted, notification has been received and where they can be valued. Residuary legacies with a life interest are only valued where legal title has passed to the Charity.

Donation income

General donations, donations from fundraising events, corporate and philanthropy income and direct marketing income are recognised in full in the Statement of Financial Activities when entitled, receipt is probable and when the amount can be quantified with reasonable accuracy. Income received in advance is deferred where appropriate. Donation income from local fundraising committees is included when received and notified by the committee. Gift Aid receivable is included when claimable. Donated goods and services are valued and included as income and expenditure, at the price estimated by the donor that Macmillan would pay in the open market for an equivalent good or service. Donated goods for resale are recognised when they are sold. A valuation of volunteer time given to the Charity is not included in these financial statements.

Grant income

Grant income is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless the grant relates to a specific future period, in which case it is deferred. Included within grant income is income received as part of the Coronavirus Job Retention Scheme (CJRS), which has been accounted for as a government grant under the performance model. CJRS grants are receivable in respect of qualifying employees and are recognised when salary payments have been made to the qualifying employees. As the CJRS is designed to compensate for staff costs, the amounts received are recognised over the same period as the costs to which they relate. CJRS grants are not received with restriction as to the charitable purposes for which they can be spent.

Income from trading activities

Income from trading activities is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless it relates to a specific future period, in which case it is deferred. Income received in respect of raffles and lotteries is recognised when the draw is made. Income received in advance for future raffle and lottery draws is deferred until the draw takes place. Trading income from local fundraising committees is included when received and notified by the committee.

Expenditure

Expenditure is recognised on an accruals basis in the period in which it is incurred. Expenditure on raising income includes the costs incurred in raising legacy income, donation income, grant income and income from trading activities, including apportioned support costs. Expenditure on charitable activities comprises the costs incurred on charitable activities including apportioned support costs.

Allocation of expenditure

Expenditure is allocated to the particular activity to which the cost relates. Where expenditure contributes to more than one area of activity, the costs are allocated to each of the activities based on estimated staff time.

Governance costs

Governance costs are the costs associated with constitutional and statutory requirements and with the strategic management of the Charity's activities.

Redundancy and termination payments

Redundancy and termination payments are recognised when there is a demonstrable commitment on an individual or group basis that cannot be realistically withdrawn.

1. Accounting policies (continued)

Tangible and intangible assets

Tangible assets are stated at cost, net of cumulative depreciation and provision for impairment. Depreciation is charged in equal instalments over the life of each tangible asset at the following rates:

Furniture and equipment - 20%

Computer equipment - 33.33%

Motor vehicles - 20%

Leasehold property and leasehold property improvements - Over the life of the lease

Items of equipment, motor vehicles, and property are capitalised where the purchase price exceeds £10,000. Leasehold improvements are capitalised where the cost exceeds £250,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

An annual impairment review is undertaken and adjustments are made where the adjustment is material.

Assets under construction are not depreciated and comprise expenditure on the purchase, creation or enhancement of tangible assets not brought into use at the Balance Sheet date. Transfers are made from assets under construction to the relevant category of tangible asset when the asset is brought into use.

Intangible fixed assets are capitalised at cost. The Group capitalises items costing more than £250,000 that meet the criteria for capitalisation as per FRS 102. Amortisation is charged to write off the cost of intangible assets on a straight-line basis over 3 years.

Investments

Listed investments are included on the Balance Sheet at fair value which is their closing bid price on the current or previous trading day. Unlisted investments are included on the Balance Sheet at their fair value. For unlisted funds this

is based on the Charity's share of the net asset value of the investments using the latest available performance data. Investments in subsidiaries are recorded at cost in the Charity's Balance Sheet. Realised gains and losses on disposals in the year and unrealised gains and losses on investments at the Balance Sheet date are included in the Statement of Financial Activities for the relevant underlying funds. All investment income is treated as unrestricted.

Investment properties include properties that arise from legacies or lifetime gifts from donors where legal title has passed to the Charity. Investment properties are included on the Balance Sheet at fair value. Investment property land is valued by an independent valuer who holds a relevant professional qualification and has relevant experience of both the class and location of the asset. Investment properties that relate to properties with a life interest where legal title has passed to the Charity are valued by management based on the current market value of similar properties less an adjustment to reflect the life interest. Properties with a life interest cannot be sold until the life interest held by a third party has ended.

Current asset investments have a maturity date or expected disposal date of less than one year and are not held for long-term investment purposes.

Programme related social investments

Programme related social investments are investments made in order to directly further the charitable purposes of the Charity. Any financial return obtained is not the primary reason for making the investment. Programme related social investments are held at cost adjusted for impairment losses. Impairments in the value of programme related investments are charged to charitable expenditure. Gains in the value of programme related investments are credited to investment income.

Where the Charity has a significant interest in a programme related investment, it will be treated as either a joint venture or an associate, dependent on the level of control exerted by the Charity. Joint ventures and associates are included at cost, subsequently adjusted for the Charity's share in the associate's net assets under the equity method in the consolidated financial statements. The annual movement in the value of programme related investments is shown as a separate category in the investments note.

Cash at bank and in hand

Cash at bank and in hand includes deposits with banks and funds that are readily convertible into cash at, or close to, their carrying values, but not held for investment purposes.

Macmillan also have cash balances that are held by local fundraising committees. For those committees which hold restricted cash balances and have an agreement in place with Macmillan, the committees are responsible for how these funds are spent.

Financial instruments

The Charity has applied the provisions of FRS 102, Section 11, 'Basic Financial Instruments' and Section 12, 'Other Financial Instruments Issues'. Financial assets and liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. The Charity initially recognises a financial asset or a financial liability at transaction price, for debtors and other creditors this is the settlement amount. Grant commitments over one year are discounted to reflect present value.

Stocks

Goods purchased for resale are valued at the lower of cost and net realisable value.

1. Accounting policies (continued)

Property awaiting sale

Gifted properties awaiting sale are valued at their fair value, which is their expected sale price, less costs of sale. Properties awaiting sale are valued by an independent valuer who holds a relevant professional qualification and has relevant experience of both the class and location of the asset.

Debtors and creditors

Trade debtors and other debtors are recognised at their transaction price less any allowance for doubtful debts. Liabilities are recognised when, as a result of past events, there is a probable future outflow of resources and the amount can be estimated reliably. Trade creditors and other creditors are included at their nominal value.

Grant commitments

Grants are generally made to organisations to meet employment and development costs of Macmillan post holders and related service developments, to assess and meet patient needs. This covers costs associated with health, financial, information and emotional and practical support developments, including buildings. The full value of the charitable grant is recognised in the year in which the commitment is made and shown as a long or short-term creditor as appropriate. The discount applied to grant commitments not yet paid falling due after more than one year to adjust the valuation to its present value is the current base rate. Commitments are recognised on the date the Charity formally notifies the recipient of the award.

Macmillan grants are grants to individuals which are made to cover a wide range of practical needs and are recognised in the year in which they are paid.

Releases of grant commitments

There are occasions when it becomes necessary to withdraw and redeploy a grant which has been approved in a prior year. Where redeployment occurs the intention of the original grant is observed where possible. If it cannot be spent in the current year, the funds revert to the original unrestricted or restricted reserve.

Provisions

Provisions are recognised when the Charity has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Leases

The Charity enters into operating leases as detailed in note 27. Expenditure on operating leases is charged in the Statement of Financial Activities as incurred.

Fund accounting

Restricted, designated and general funds are separately disclosed, as set out in note 25. The different funds held are defined as follows:

Restricted funds

These are subject to specific restrictions imposed by the donor or by the nature of the appeal.

Designated funds

These are set aside at the discretion of the trustees for specific purposes. They would otherwise form part of the general funds.

General funds

These are available to spend at the discretion of the trustees in furtherance of the charitable objectives of the Charity.

Any transfers between funds and any allocations to and from designated funds are approved by trustees.

Pensions

During the year the Charity operated a defined benefit pension scheme for employees. The scheme closed to new members on 30 April 2005, and to the accrual of future benefits, with no further member contributions required, on 30 June 2010. The scheme is accounted for in accordance with FRS 102.

Following the closure of the scheme during 2010, the resultant scheme surplus is not recognised on the Charity's Balance Sheet. Any future scheme deficit would be shown on the Charity's Balance Sheet. The amounts charged in the Statement of Financial Activities for defined contribution pension schemes represent the contributions payable in the period.

The assets of the scheme are held separately from those of the Charity in an independently administered fund. The Charity also contributes to a separate stakeholder pension scheme provided by Legal & General. Contributions to the Charity's stakeholder pension scheme are charged to the Statement of Financial Activities in the year in which they become payable.

Macmillan contributed to a further defined benefit pension scheme, the National Health Service Pension Scheme which is unfunded. It is not possible for Macmillan to identify its share of the liabilities for the scheme and therefore contributions are recognised in the Statement of Financial Activities in the year in which they become payable.

2. Legacy income	Unrestricted £'000	Restricted £'000	2020 Total £'000	2019 Total £'000
Legacy income	66,549	5,267	71,816	77,722

3. Donation income	Unrestricted £'000	Restricted £'000	2020 Total £'000	2019 Total £'000
Local fundraising committees	638	1,552	2,190	4,030
Fundraising events	29,931	402	30,333	59,379
Corporate income	8,481	5,427	13,908	17,649
Philanthropy	3,718	1,637	5,355	4,194
General donations	10,770	622	11,392	11,944
Direct marketing	31,548	8	31,556	30,359
Donated services and facilities	2,463	-	2,463	2,829
	87,549	9,648	97,197	130,384

Donated services and facilities comprises contributions totalling £1,867,000 (2019: £2,152,000) to our fuel management programme, £68,000 (2019: £173,000) of advertising space, £465,000 (2019: £504,000) in respect of professional advice including training, £48,000 (2019: £nil) for PPE provided for Macmillan nurses and £15,000 (2019: £nil) for a software license. The Charity also benefits from the services of unpaid volunteers.

4. Grant income	Unrestricted £'000	Restricted £'000	2020 Total £'000	2019 Total £'000
Scottish Government - Transforming Cancer Care Programme	-	2,613	2,613	2,000
Sussex Cancer Fund - Macmillan Horizon Centre, Brighton	-	53	53	52
Coronavirus Job Retention Scheme	5,149	-	5,149	-
NHS North Cumbria CCG	-	135	135	-
Coronavirus Community Support Fund	-	90	90	-
Energy Savings Trust	-	46	46	-
Department of Work and Pensions - Access to Work scheme	-	-	-	26
University of Southampton - RESTORE Web Development	-	-	-	4
	5,149	2,937	8,086	2,082

5. Income from trading activities

	Unrestricted £'000	Restricted £'000	2020 Total £'000	2019 Total £'000
Lottery and raffle	13,998	-	13,998	13,027
Local fundraising committees sales	33	81	114	1,964
Fundraising events	57	-	57	442
Corporate and other trading income	2,282	-	2,282	3,413
	16,370	81	16,451	18,846

6. Investment income

	2020 Unrestricted £'000	2019 Unrestricted £'000
Income from fixed asset investments	1,247	3,594
Income from cash and current asset investments	92	205
	1,339	3,799

7. Subsidiary undertakings

As at 31 December 2020, the Charity had seven wholly owned subsidiaries which are incorporated in the UK. The registered address for all the subsidiary undertakings is 89 Albert Embankment, London, SE1 7UQ. All of their taxable profits each year are transferred to the Charity. The specific activity or status of each company is:

	Company registration number	Principal activity
Macmillan Cancer Support Trading Limited	2779446	Fundraising trading activities and sale of Christmas cards and other items
Macmillan Cancer Support Enterprises Limited	3123290	Dormant
Cancerbackup	2803321	Dormant
Macmillan Healthcare Lottery Limited	9771479	Seasonal raffle
Macmillan Cancer Information Lottery Limited	9771409	Weekly lottery
Macmillan Financial Grants Lottery Limited	9494065	Weekly lottery
Macmillan Influencing Cancer Care Lottery Limited	9771351	Weekly lottery

7. Subsidiary undertakings (continued)

A summary of the trading results and Balance Sheets of the non dormant companies is shown below.

The companies have the same year end date as the Charity.

	Macmillan Cancer Support Trading Limited £'000	Macmillan Healthcare Lottery Limited £'000	Macmillan Cancer Information Lottery Limited £'000	Macmillan Financial Grants Lottery Limited £'000	Macmillan Influencing Cancer Care Lottery Limited £'000	2020 Total £'000	2019 Total £'000
Profit and loss for year ended 31 December 2020							
Turnover	2,280	3,391	3,545	3,310	3,751	16,277	16,777
Cost of sales	(336)	(696)	(896)	(701)	(665)	(3,294)	(6,273)
Gross profit	1,944	2,695	2,649	2,609	3,086	12,983	10,504
Operating costs	(231)	(293)	(96)	(101)	(28)	(749)	(553)
Interest receivable	3	2	-	-	-	5	6
Net profit	1,716	2,404	2,553	2,508	3,058	12,239	9,957
Costs recharged by and interest paid to the Charity	(633)	(114)	(59)	(63)	(71)	(940)	(1,107)
Result on ordinary activities before and after taxation	1,083	2,290	2,494	2,445	2,987	11,299	8,850
Amount donated to the Charity under Gift Aid	(1,083)	(2,290)	(2,494)	(2,445)	(2,987)	(11,299)	(8,850)
Result on ordinary activities before and after taxation	-	-	-	-	-	-	-
Balance sheet as at 31 December 2020							
Current assets	2,646	1,355	707	3,140	1,365	9,213	8,623
Creditors: amounts falling due within one year	(2,646)	(1,355)	(707)	(3,140)	(1,365)	(9,213)	(8,623)
Net assets	-	-	-	-	-	-	-
Share capital - ordinary shares at £1 each	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-
Total equity	-	-	-	-	-	-	-

During 2020 all the assets and liabilities of Macmillan Cancer Support Sales Ltd were acquired by Macmillan Cancer Support Trading Ltd as part of the merger of these subsidiary trading companies. The called up share capital of Macmillan Cancer Support Trading Limited and Macmillan Cancer Support Enterprises Limited is £2; for Macmillan Healthcare Lottery Limited, Macmillan Financial Grants Lottery Limited, Macmillan Cancer Information Lottery Limited and Macmillan Influencing Cancer Care Lottery Limited, the called up share capital is £1.

8. Expenditure

	Grants £'000	Direct staff costs £'000	Other direct costs £'000	Apportioned support costs £'000	2020 Total £'000	2019 Total £'000
Expenditure on charitable activities	(1,402)	42,362	19,916	28,455	89,331	180,829
Expenditure on raising income	-	17,812	26,555	14,105	58,472	64,910
	(1,402)	60,174	46,471	42,560	147,803	245,739

Other direct costs associated with raising income include direct event and campaign costs, marketing and advertising. Note 10 provides further detail on expenditure on charitable activities in year.

	Governance £'000	Human Resources and Facilities £'000	Information Technology £'000	Finance, Legal, and Executive £'000	Policy and Communications £'000	2020 Total £'000	2019 Total £'000
Analysis of apportioned support costs							
Charitable activities	766	7,215	6,250	8,559	5,665	28,455	27,895
Raising income	380	3,576	3,098	4,243	2,808	14,105	13,219
	1,146	10,791	9,348	12,802	8,473	42,560	41,114

Support costs, including staff costs, were apportioned to activities on the basis of staff numbers on a full time equivalent basis for each of the departments supporting the various activities. Governance costs included within support costs are apportioned on the same basis.

	2020 £'000	2019 £'000
Analysis of governance costs		
Employees and contract staff	906	1,013
External audit fees	121	103
Board meeting expenses	3	23
AGM and annual report costs	11	17
Legal, strategy and other costs	105	188
	1,146	1,344

External audit fees above represent the fees receivable by the auditors and therefore exclude VAT. Total external audit fees paid by the group including non recoverable VAT is £145,000 (2019: £121,000).

9. Expenditure on raising income

	2020 £'000	2019 £'000
Costs of raising legacies, donations and grants	52,822	55,921
Costs of trading activities	5,012	8,262
Investment management fees	638	727
	58,472	64,910

10. Expenditure on charitable activities

	Direct and indirect staff costs £'000	Grants £'000	Direct and indirect other costs £'000	2020 Expenditure £'000	Grant releases and discounting adjustment £'000	2020 Total £'000	2019 Total £'000
Healthcare							
Macmillan nurses	1,459	13,512	1,407	16,378	(24,830)	(8,452)	52,604
Macmillan allied health professionals	379	1,096	161	1,636	(4,239)	(2,603)	(742)
Treatment and care buildings	1,411	37	891	2,339	(139)	2,200	3,411
Macmillan GPs	1,318	427	164	1,909	(1,620)	289	4,658
Information and support							
Information services	2,763	310	1,633	4,706	(1,700)	3,006	7,940
Information buildings	2	-	12	14	(27)	(13)	88
Mobile Macmillan cancer information centres	3,099	38	809	3,946	3	3,949	5,611
Macmillan Support Line	13,257	-	3,614	16,871	-	16,871	14,841
Financial support							
Macmillan grants	1,062	9,065	2,076	12,203	-	12,203	16,333
Macmillan benefits advice	1,576	9,539	568	11,683	344	12,027	9,278
Macmillan welfare rights helpline	4,903	36	1,153	6,092	(5)	6,087	5,340
Financial guidance service	2,736	-	765	3,501	-	3,501	3,546
Practical and emotional support							
Social care schemes	409	2,974	732	4,115	(5,720)	(1,605)	9,527
Macmillan social workers	118	7	50	175	(986)	(811)	(560)
Volunteering services	5,851	42	1,349	7,242	2	7,244	8,005
Learning and development							
For Macmillan professionals	3,735	241	1,188	5,164	21	5,185	4,588
For people affected by cancer	46	-	5	51	-	51	565
Campaigning and raising awareness							
Research to improve cancer services	2,927	120	1,301	4,348	(94)	4,254	5,217
Public education and awareness raising	1,669	14	8,677	10,360	1	10,361	14,026
Inclusion	199	118	34	351	11	362	566
Policy and campaigning	12,679	-	2,142	14,821	-	14,821	15,493
Customer and content management	336	-	68	404	-	404	494
	61,934	37,576	28,799	128,309	(38,978)	89,331	180,829

10. Expenditure on charitable activities (continued)

Grant commitments vary in size from an individual post to a full redesign of a service or a building. This can cause significant movements in the expenditure within a category from one year to the next.

New grants committed in the year are recognised as charitable expenditure in the year in which they are made and are shown on the previous page. Write-backs of underused grants are released against the line of charitable expenditure to which they were originally made. In year grants awarded totalled £37,576,000 (2019: £84,646,000). Grant writebacks and discounting adjustments totalled £38,978,000 (2019: £10,062,000).

The demands the coronavirus pandemic placed on our healthcare partners and the impact the pandemic had on our income meant we weren't able to spend as much on services for people with cancer as we had planned. In addition, many of our healthcare partners were unable to fulfil grant commitments made in previous years, which resulted in a large volume of prior year write-backs in 2020.

Grants to institutions and partner organisations resulted in a net credit of £10,467,000 (2019: £61,921,000 expense). Grants to individuals totalled £9,065,000 (2019: £12,663,000). A list of the grants made to institutions and partner organisations is disclosed in a separate publication which is available on the Charity's website.

The grants figure shown above comprises both multi-year grants where the full cost is recognised on the Balance Sheet and as a liability in the year of commitment and those grants, mainly Macmillan grants, which are wholly disbursed during the year.

11. Net expenditure for the year

This is stated after charging:	2020 £'000	2019 £'000
Depreciation	510	428
External audit fees	121	103
Operating lease rentals:		
• Property	4,110	4,338
• Vehicles and equipment	52	74

External audit fees above represent the fees receivable by the auditors and therefore exclude VAT. Total external audit fees paid by the group including non recoverable VAT is £145,000 (2019: £121,000).

No trustee has received any remuneration from the Group during the year (2019: £nil). The total amount of trustee expenses incurred directly by Macmillan or reimbursed during the year was £6,736 (2019: £8,103), which all related to trustee meetings and seminar attendance. One trustee was reimbursed in 2020 (2019: one). Donations received from trustees during the year totalled £36,825 (2019: £9,294). Trustees also generate non-donation income through their involvement in, and support of, other Macmillan activities.

12. Staff costs and numbers

	2020 £'000	2019 £'000
Wages and salaries	66,741	68,671
Agency and contract staff	2,515	2,977
Employers' National Insurance contributions	6,961	7,537
Pension costs	7,875	7,706
Other employee benefits	1,227	1,253
Redundancy and termination costs	3,826	1,654
	89,145	89,798

Redundancy and termination costs included amounts totalling £397,000 (2019: £484,000) which were unpaid as at 31 December 2020. The Executive Strategy Team (EST) are regarded as the Charity's key management personnel under the Financial Reporting Standard 102. The total earnings, including benefits, employer pension contributions and termination payments received by staff who were members of the EST during 2020 totalled £1,311,000 including one termination payment (2019: £1,462,000). During the year, payments were made to 7 staff (2019: 9 staff).

The number of employees whose total earnings in the year (including benefits but excluding employer pension contributions) fell into the bands below were:

	2020 No.	2019 No.
£60,001 - £70,000	61	69
£70,001 - £80,000	33	29
£80,001 - £90,000	15	14
£90,001 - £100,000	4	6
£100,001 - £110,000	10	10
£110,001 - £120,000	2	2
£120,001 - £130,000	-	3
£130,001 - £140,000	1	1
£140,001 - £150,000	1	2
£150,001 - £160,000	3	1
£160,001 - £170,000	-	-
£170,001 - £180,000	1	-
£180,001 - £190,000	1	1

The Chief Executive was the highest paid employee in 2019 and 2020.

12. Staff costs and numbers (continued)

Retirement benefits are accruing under defined benefit schemes for 22 (2019: 37) higher paid employees. Contributions totalling £562,000 (2019: £528,000) were made to stakeholder schemes for 116 (2019: 118) higher paid employees.

The average number of staff employed during the year was 1,868 (2019: 1,943) which includes 414 part time staff (2019: 418). The average number of full time equivalent (FTE) staff employed during the year was 1,754 (2019: 1,810).

The average FTE is analysed by function as follows:	2020 No.	2019 No.
Fundraising	581	582
Charitable	1,173	1,228
	1,754	1,810

13. Tangible assets

The Group and Charity

	Assets under construction £'000	Leasehold property £'000	Leasehold property improvements £'000	Motor vehicles £'000	Computer equipment £'000	Furniture and equipment £'000	Total £'000
Cost							
At 1 January 2020	36	7,096	2,475	1,194	825	1,601	13,227
Additions in the year	16	-	312	-	-	136	464
Disposals in the year	-	-	(456)	-	(19)	(54)	(529)
Transfers of assets brought into use	(36)	-	22	-	14	-	-
At 31 December 2020	16	7,096	2,353	1,194	820	1,683	13,162
Accumulated depreciation							
At 1 January 2020	-	472	2,105	865	806	1,300	5,548
Charge for the year	-	143	141	101	16	109	510
Disposals in the year	-	-	(456)	-	(19)	(54)	(529)
At 31 December 2020	-	615	1,790	966	803	1,355	5,529
Net book value							
At 31 December 2020	16	6,481	563	228	17	328	7,633
At 31 December 2019	36	6,624	370	329	19	301	7,679

The assets under construction at the year end relate to the purchase of IT assets.

Capital commitments as at 31 December 2020 totalled £nil (2019: £672,000).

14. Fixed asset investments

The Group and Charity

	Listed investments and related foreign exchange contracts £'000	Unlisted investments and related foreign exchange contracts £'000	Money market funds and cash for re-investment £'000	Investment properties £'000	Programme related investments £'000	2020 Total £'000	2019 Total £'000
Market value at 1 January	96,923	3,171	31,887	484	1,428	133,893	157,359
Purchased acquisitions	6,201	63	(6,265)	-	366	365	745
Shares and investments acquired via legacies and gifts	-	-	-	-	-	-	59
Transfer to cash and cash equivalents	-	-	(26,639)	-	-	(26,639)	(41,675)
Disposal proceeds	(89,553)	(861)	90,414	-	-	-	(53)
Net income reinvested	(72)	-	702	-	-	630	2,895
Net gains and losses on investments	(6,687)	(364)	740	36	(279)	(6,554)	14,563
Market value at 31 December	6,812	2,009	90,839	520	1,515	101,695	133,893

Investments in cash and cash equivalents within the £90,839,000 (2019: £31,887,000) money market funds and cash for re-investment above includes £82,416,000 (2019: £25,008,000) in highly rated money market funds.

The programme related investment relates to the Charity's investment in the Care and Wellbeing Fund in partnership with Social Finance and Big Society Capital.

Investment properties comprises properties received from legacies when the Charity has title but there is a life interest.

The historical cost of Group and Charity fixed asset investments before the transfer to current asset investments at 31 December 2020 was £104,882,000 (2019: £123,730,000).

15. Current asset investments

The Group and Charity

	2020 £'000	2019 £'000
Listed investments	28,355	39,337
Transfer from fixed asset investments	-	-
	28,355	39,337

The historical cost of the Group and Charity's listed investments at 31 December 2020 was £28,355,000 (2019: £39,337,000).

16. Cash at bank and in hand

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Cash at bank and in hand	11,384	6,564	5,360	863
	11,384	6,564	5,360	863

17. Financial instruments

Categories of financial instruments	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Financial assets				
Fixed asset investments	101,695	133,893	101,695	133,893
Current asset investments	28,355	39,337	28,355	39,337
	130,050	173,230	130,050	173,230
Cash at bank and in hand	11,384	6,564	5,360	863
Debtors	66,691	65,835	70,652	69,529
	208,125	245,629	206,062	243,622
Financial liabilities				
Grants committed not yet paid	123,443	205,061	123,443	205,061
Other creditors and deferred income	12,020	10,649	9,675	8,414
	135,463	215,710	133,118	213,475

17. Financial instruments (continued)

Risk management

The Group is exposed through its operations and investments to the following financial risks:

- Market risk
- Foreign currency exchange rate risk
- Credit risk
- Liquidity risk

Market risk, including foreign currency exchange rate risk

Market risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices. Market prices are influenced by movements in interest rates, currency movements and other market factors. The Charity manages this risk by employing professional investment managers and aims to hold a widely diversified portfolio of investments. As a result of the coronavirus pandemic, the trustees decided to liquidate the long-term fund in its entirety in order to reduce exposure to changes in investment prices and improve liquidity.

The Charity is exposed to foreign currency exchange rate risk through its investment activities in assets denominated in foreign currencies. The Charity uses foreign exchange forward and option contracts to hedge this exposure.

All other non-investment related activities are denominated in sterling and therefore do not generate any foreign exchange rate risk.

Credit risk

Credit risk in the Charity's investment portfolio as at 31 December 2020 and 31 December 2019 relates to the risk that funds in which the Charity has an investment would fail to process a request for redemption of the investment. The Charity manages this risk by employing professional investment managers and holding a widely diversified portfolio of investments, ensuring that risks taken are carefully managed, monitored and controlled.

The nature of the Charity's non-investment assets and customer profile means that the Charity is not exposed to significant credit risk on these assets.

Liquidity risk

The Charity's liquidity policy is framed to ensure there is no liquidity risk. Under the policy, the Charity's target is to retain £100 million in investments and cash which are capable of being liquidated at relatively short notice to ensure cash is available to meet liabilities as they arise. In addition, we will hold cash and other liquid funds to meet normal day-to-day cash flow requirements.

18. Stocks and property awaiting sale

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Goods for resale	281	220	-	-
Gifted properties awaiting sale	30	938	28	938
	311	1,158	28	938

19. Debtors

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Trade debtors	608	570	-	-
Amount owed by subsidiary undertakings	-	-	5,021	4,802
Accrued legacy income	58,526	58,745	58,526	58,745
Gift Aid recoverable	283	723	283	723
Other debtors	1,622	3,021	1,622	3,021
Prepayments and other accrued income	5,935	3,499	5,483	2,961
	66,974	66,558	70,935	70,252

It is estimated that £44,000,000 (2019: £45,000,000) of the accrued legacy income shown above will be received within one year.

In addition to the accrued legacy income above, the Charity has been notified of legacies for which no income has been recognised at 31 December 2020 because the income recognition criteria has not been met. The actual timing and amounts to be received are unknown. Based on the average value of legacies received, the value of these is estimated to be in the region of £32,000,000 (2019: £30,000,000).

Included within the amount owed by subsidiary undertakings is a loan of £370,000 to Macmillan Cancer Support Trading Limited (2019: £370,000 to Macmillan Cancer Support Sales Limited). Interest is payable on the loan and is calculated at base rate plus 2%. The loan is repayable by 31 December 2025, and is secured by a first-ranking debenture dated 28 July 1999 containing fixed and floating charges over all the assets of the subsidiary company.

20. Grants committed not yet paid

The Group and Charity

	Macmillan professionals' grants £'000	Buildings £'000	Other £'000	2020 Total £'000	2019 Total £'000
Commitments at 1 January	155,820	12,768	36,473	205,061	210,441
Grants paid during the year	(58,371)	(2,786)	(9,285)	(70,442)	(65,888)
New grants committed during the year	27,084	222	3,497	30,803	70,570
Commitments released as no longer required	(32,314)	(180)	(9,485)	(41,979)	(10,062)
Commitments at 31 December	92,219	10,024	21,200	123,443	205,061
Falling due within one year	40,871	4,443	9,396	54,710	68,141
Falling due after one year	51,348	5,581	11,804	68,733	136,920
Commitments at 31 December	92,219	10,024	21,200	123,443	205,061

Other grants are those which are made in relation to a service which is more than just for a Macmillan professional post or a building. This includes developing and supporting research and services to assess and meet patient needs across health, financial, information, emotional and practical support, from diagnosis onwards.

21. Other creditors and deferred income

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Taxation and social security	2,556	2,502	2,555	2,510
Accruals	4,546	3,198	4,356	3,039
Trade creditors	3,566	5,172	3,147	4,644
Other creditors	812	244	812	269
Deferred income	3,096	2,035	1,360	462
	14,576	13,151	12,230	10,924

22. Deferred income

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Deferred income at 1 January	2,035	2,025	462	450
Income deferred in the year	2,698	1,593	961	20
Deferred income released from prior years	(1,637)	(1,583)	(63)	(8)
Deferred income at 31 December	3,096	2,035	1,360	462

23. Provisions for liabilities

The Group and Charity

	Dilapidations £'000	Other £'000	2020 Total £'000	2019 Total £'000
Provisions at 1 January	734	-	734	533
Additional provisions made in the year	64	69	133	222
Provisions released from prior years	(142)	-	(142)	(21)
Provisions for liabilities at 31 December	656	69	725	734

The dilapidations provisions relate to property leases with various termination dates up until November 2033. Other provisions relate to payments due in relation to office closures.

24. Analysis of group net assets between funds

The Group and Charity

	Restricted funds £'000	Designated funds £'000	General funds £'000	Total funds £'000
Tangible assets	4,329	3,304	-	7,633
Fixed asset investments	-	-	101,695	101,695
Cash and current asset investments	43,581	924	(4,766)	39,739
Debtors, stocks and property awaiting sale	4,578	-	62,707	67,285
Creditors, deferred income and provisions	(31,559)	(924)	(106,261)	(138,744)
Net assets at 31 December 2020	20,929	3,304	53,375	77,608

25. Movements in group funds

	Balance 1 January 2020 £'000	Income £'000	Expenditure £'000	Gain on investments £'000	Transfers £'000	Balance 31 December 2020 £'000
Restricted funds						
Local appeals	(266)	1,258	(714)	-	-	278
Macmillan Horizon Centre	4,366	-	(117)	-	-	4,249
Department of Health grants	115	-	-	-	-	115
Mobile Information support	129	-	(49)	-	-	80
Other funds	17,349	16,675	(17,817)	-	-	16,207
Total restricted funds	21,693	17,933	(18,697)	-	-	20,929
Unrestricted funds						
General funds						
Investment revaluation reserve	10,163	-	-	-	(13,350)	(3,187)
Other general funds	1,203	166,362	(118,512)	(5,721)	13,230	56,562
Total general funds	11,366	166,362	(118,512)	(5,721)	(120)	53,375
Designated funds						
Tangible asset fund	3,184	-	-	-	120	3,304
Macmillan local services	-	371	(371)	-	-	-
Healthcare	-	2,290	(2,290)	-	-	-
Information services	-	2,494	(2,494)	-	-	-
Macmillan grants	-	2,445	(2,445)	-	-	-
Influencing cancer care	-	2,987	(2,987)	-	-	-
SLS and Workforce	-	7	(7)	-	-	-
Total designated funds	3,184	10,594	(10,594)	-	120	3,304
Total unrestricted funds	14,550	176,956	(129,106)	(5,721)	-	56,679
Total funds	36,243	194,889	(147,803)	(5,721)	-	77,608

25. Movements in group funds (continued)

Purposes of restricted funds

Local appeals

Local appeal funds comprise income generated from fundraising activities by Macmillan appeals throughout the UK. Local appeal deficits arise where we commit to funding the service early on in an appeal. Under our accounting policy, we recognise the full cost of multi-year grants when the commitment is made. Often, we will take three years to raise the income necessary to meet this cost. Such appeals will start in deficit and gradually work their way to break even over the life of the appeal. During the year, no funds (2019: £nil) were transferred from unrestricted funds to restricted appeal funds to cover deficits which will not be matched by future fundraising. It is anticipated that the remaining deficits will be matched by future restricted income flows.

Some appeals raise significant funds before the actual grant commitment is made, particularly building appeals. As a result, they appear in surplus for the first part of the life of the appeal. Appeals at the year end in surplus totalled £1,995,000 (2019: £1,992,000). Appeals in deficit totalled £1,719,000 (2019: £2,258,000).

Macmillan Horizon Centre

Depreciation in the year of £117,000 (2019: £117,000, fixed asset expenditure net of depreciation) funded from appeal funds relating to an information and support centre adjacent to the Brighton Cancer Centre. The fund balance at 31 December 2020 was £4,249,000 (2019: £4,366,000).

Department of Health Grants - National Cancer Survivorship Initiative

There were no funds received or expended in the year (2019: £nil) and there were no grants released back to the fund in the year (2019: £11,000). The fund balance at 31 December 2020 was £115,000 (2019: £115,000).

Mobile Information and Support Service buses

Depreciation in the year of £49,000 (2019: £49,000, fixed asset expenditure net of depreciation) funded from other funds relating to two Mobile Information and Support Service buses. The fund balance at 31 December 2020 was £80,000 (2019: £129,000).

Other funds

Other restricted funds comprise income for specific Macmillan activities. At 31 December 2020, the balance of £16,207,000 (2019: £17,349,000) is made up of:

- Healthcare and information funds

Income which has been restricted to these funds has come from a variety of sources and is restricted either to clinical or information services, including nurses, allied health professionals, clinical and information buildings and information services. The income is sometimes further restricted to either a type of post or service or to a post or service at a specific location. Funds will be expended as appropriate posts are identified or developed. The balance at the year end totalled £12,381,000 (2019: £12,933,000).

- Financial support and practical and emotional support funds

Income which has been restricted to these funds has come from a variety of sources and is restricted either to financial support or daily living including volunteer schemes and social work. Much of this income is restricted to a geographical area, and it is likely that we will expend a significant proportion of this income on Macmillan grants to individuals. There may, however, be other service developments in the area of the restriction and the income may be spent on such new service developments. The balance at the year end totalled £3,826,000 (2019: £4,416,000).

25. Movements in group funds (continued)

Designated funds

Tangible asset fund

The tangible asset fund represents the value of general funds invested in tangible assets which are not, by the nature of tangible assets, readily available for use for other purposes. The transfer in of £120,000 (2019: transfer in of £314,000) makes the value of the fund equal to the net book value of the tangible assets less any restricted tangible assets at 31 December 2020. Tangible asset expenditure financed from restricted funds is shown within the restricted fund balances.

Macmillan local services

£371,000 (2019: £1,139,000) was designated and spent in the year on Macmillan professional posts, to match cause related marketing raised to fund local Macmillan services.

Healthcare

The £2,290,000 (2019: £1,918,000) profits donated to the Charity from Macmillan Healthcare Lottery Limited were designated and spent during the year on healthcare services.

Information services

The £2,494,000 (2019: £1,822,000) profits donated to the Charity from Macmillan Cancer Information Lottery Limited were designated and spent during the year on information services

Macmillan grants

The £2,445,000 (2019: £1,987,000) profits donated to the Charity from Macmillan Financial Grants Lottery Limited were designated and spent during the year on Macmillan grants.

Influencing cancer care

The £2,987,000 (2019: £1,198,000) profits donated to the Charity from Macmillan Influencing Cancer Care Lottery Limited were designated and spent during the year on influencing cancer care.

SLS and Workforce

£7,000 (2019: £nil) was designated and spent in the year on our Support Line Services and Cancer Workforce to match unrestricted funds raised through our campaign, 'Everyone. From Day One', as part of our charity partnership with 2021 Virgin Money London Marathon.

Other unrestricted funds

Investment revaluation reserve

The investment revaluation reserve is calculated as the difference between the market valuation and the historical cost of the Charity's investments. The transfer out of £13,350,000 (2019: transfer in of £8,130,000) is an adjustment to align the fund to the difference between market value and historical cost at 31 December 2020.

26. Related party transactions

- Jane Cummings is a trustee of Macmillan Cancer Support. She was also Chief Nursing Officer for England and National Executive Director of NHS England until January 2019. Macmillan Cancer Support had many interactions and relationships with NHS England during 2019 and 2020. However, there were no related party transactions that she had direct influence over or financial interest in.
- Andrew Duff is a trustee of Macmillan Cancer Support. He is also the chairman of Severn Trent plc. During the year, Macmillan received a donation of £200,000 (2019: £nil) from Severn Trent.
- Tim Eisen is a trustee of Macmillan Cancer Support. He is also a professor of Medical Oncology at the University of Cambridge and a shareholder at AstraZeneca. During the year, Macmillan received no income (2019: £33,000) from AstraZeneca.
- Kate Howe is a trustee of Macmillan Cancer Support. She was also Executive Director of Dentsu Aegis Network until February 2020. During the year Macmillan paid Dentsu X £263,000 (2019: £64,000) for marketing services.
- Sue Langley OBE is a trustee of Macmillan Cancer Support. She is also a Vice President of the Insurance Institute of London (IIL). Macmillan paid £3,000 (2019: £2,000) to the IIL for staff training and membership fees.
- Rosie Loftus is the Chief Medical Officer of Macmillan Cancer Support. Rosie's husband, Dr Peter Green, is the Chair at Medway Clinical Commissioning Group (CCG). During 2020, Macmillan made payments in relation to commitments from prior years totalling £22,000 (2019: £59,000) to Medway CCG: £15,000 (2019: £10,000) for a GP post, £7,000 (2019: £10,000) for a Primary Care Nurse. No other payments were made (2019: £29,000 for benefits advice and £10,000 for support services). During 2020 there were grant writebacks totalling £3,000 (2019: £nil) relating to commitments from prior years.
- Feilim Mackle is a trustee of Macmillan Cancer Support. He is also an independent Non Executive Director of Towergate Insurance. During 2020, Macmillan made payments totalling £277,000 (2019: £303,000) to Towergate Insurance.
- Jane Maher is a Clinical Adviser of Macmillan Cancer Support; she is also a Non Executive Director of the Christie NHS Foundation Trust. In 2020, no grant commitments (2019: £143,000 for professional posts and £1,000 for support grants) were made to the Christie NHS Foundation Trust. Macmillan paid £1,107,000 (2019: £1,179,000) in respect of grants committed in earlier years in relation to professional posts and no other committed payments were made (2019: £27,000 for research). In 2020, £2,000 (2019: £30,000) was paid in respect of non-committed grant expenditure for learning and development. Further payments were made totalling £8,000 (2019: £40,000) for non grant training and learning and development fees and £13,000 (2019: £15,000) for providing training courses to Macmillan professionals. In 2020, £150,000 (2019: £nil) was paid in relation to professional posts for the prior year. There were grant writebacks totalling £608,000 (2019: £nil) relating to commitments from prior years.
- Mohammed Mehmet is a trustee of Macmillan Cancer Support. On the 21st September 2020, he was appointed as a Non Executive Director of Public Health Wales NHS Trust. During 2020, Macmillan made payments in relation to commitments from prior years totalling £612,000 (2019: £1,009,000) to Public Health Wales. During 2020, Macmillan Cancer Support did not make any 2020 grant commitments to Public Health Wales (2019: £1,961,000). There were grant writebacks totalling £682,000 (2019: £nil) relating to commitments from prior years.
- Claire Rowney is the Executive Director of Fundraising, Marketing and Communication at Macmillan Cancer Support. She was Vice Chair of the Institute of Fundraising in 2019 and became Chair in 2020. During the year, Macmillan made payments of £66,000 (2019: £70,000) to the Institute for membership fees and conferences.

26. Related party transactions (continued)

- Toby Strauss is a trustee of Macmillan Cancer Support. He is also Non Executive Director on the board of Legal & General plc. During the year, Macmillan received income from Legal & General of £1,000 (2019: £3,000).

Other

- Macmillan is a member of the National Cancer Research Institute (NCRI), which brings together the major organisations that fund cancer research to coordinate their activities including joint funding initiatives. In 2020, the Charity made payments totalling £5,000 (2019: £9,000) to the NCRI for annual membership. No other payments were made in 2020 (2019: £19,000 relating to NCRI's annual conference and £5,000 for an evidence review).
- Macmillan Cancer Support Jersey Limited (MCSJ Ltd) is a company limited by guarantee and incorporated in the Island of Jersey (company number 104090). It is an independent organisation which carries out fundraising on the Island and funds Macmillan services. Christopher Scally, Strategic Partnership Manager for South West England is a Director of MCSJ Ltd. During 2020, the Charity did not have any transactions with MCSJ Ltd (2019: £nil).
- The Charity acted as the Secretariat for the All Party Parliamentary Group on Cancer, a group which brings together MPs and Peers to improve cancer services. The Charity operates a separate bank account for the Group which had a balance of £60,000 (2019: £59,000) as at 31 December 2020.
- Lynda Thomas, the Chief Executive Officer at Macmillan Cancer Support, is the Vice-Chair of the Richmond Group of Charities. Macmillan Cancer Support is a member of the Richmond Group and provides administrative support to the Group. It makes payments and receives income on behalf of the Group. At the year end, the Charity held funds totalling £105,000 (2019: £143,000) on behalf of the Group.

27. Operating lease commitments

The Group and Charity

The Group and Charity had commitments to future minimum lease payments under non-cancellable operating leases at the year end as follows:

	Property 2020 £'000	Property 2019 £'000	Vehicles and equipment 2020 £'000	Vehicles and equipment 2019 £'000	Total 2020 £'000	Total 2019 £'000
Within 1 year	3,274	3,904	7	65	3,281	3,969
Between 1 and 5 years	8,041	10,614	-	18	8,041	10,632
After 5 years	-	-	-	-	-	-
	11,315	14,518	7	83	11,322	14,601

28. Contingent liabilities

There were no material contingent liabilities as at 31 December 2020 (2019: £nil).

29. Pension costs

During 2020, the Charity operated a defined benefit pension scheme for employees who joined the scheme before 30 April 2005, the date the scheme was finally closed to all new entrants. On 30 June 2010, the scheme closed to the accrual of future benefits. The assets of the defined benefit scheme are held separately from those of the Charity in an independently administered fund. From 1 May 2004, the Charity has paid contributions for eligible employees into a stakeholder pension scheme. The Charity has also paid contributions for eligible employees into the National Health Service (NHS) Pension.

Macmillan defined benefit scheme

The actuary has computed the following information about the financial position of the scheme as at 31 December 2020:

Scheme assets and liabilities

	2020 £'000	2019 £'000
Fair value of the scheme assets	59,656	52,303
Present value of scheme liabilities	(51,091)	(41,453)
Net surplus	8,565	10,850

Following closure of the scheme to future accrual, in accordance with Financial Reporting Standard (FRS) 102, the scheme surplus is not recognised on the Charity's Balance Sheet.

Scheme funds are administered by the scheme's trustees and are independent of the Charity's finances. The scheme is a UK-based defined benefit scheme, providing benefits at retirement and on death in service.

The scheme is subject to triennial valuation by an independent actuary using the projected unit method. The most recent triennial valuation was undertaken as at 31 December 2019 and reported a funding surplus of £983,000.

Following closure of the scheme to future accrual on 30 June 2010, there were no employer contributions made by the Charity in 2020 (2019: £nil). The Charity does not expect to make any contributions in 2021.

29. Pension costs (continued)

For the purposes of the disclosures required under FRS 102, the actuarial valuation has been updated at 31 December 2020 by a qualified actuary using the following assumptions:

Financial assumptions

	2020	2019
Discount rate	1.20%	1.90%
Retail price inflation	3.00%	2.80%
Consumer price inflation	2.20%	2.00%
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions in payment RPI capped at 5%	3.00%	2.80%
Rate of increase in pensions in payment RPI capped at 2.5%	2.20%	2.10%
Rate of increase in deferred pensions	2.20%	2.00%

The liabilities allow for future discretionary increases of RPI (capped at 5% per annum) to be awarded each year on pension accrued to 6 April 1997.

Mortality assumptions

Using mortality table 100% S3PMA_Middle/ 100%S3PFA_Middle CMI Model 2019 [1.25%] (year of birth)
(2019: 102% S3PMA/110% S3PFA CMI Model 2018 [1.25%] (year of birth))

	2020 life expectancy years	2019 life expectancy years
Males at 65 in 2020	21.4	21.7
Females at 65 in 2020	23.7	23.4
Males at 65 aged 45 in 2020	22.7	23.0
Females at 65 aged 45 in 2020	25.2	24.9

An analysis of the scheme assets and the expected long-term return rates at 31 December 2020 was as follows:

	2020 £'000	2019 £'000
Bonds	59,702	51,959
Other	(46)	344
	59,656	52,303

Assets do not include any amounts for the Charity's own financial instruments or property occupied, or other assets used by the Charity. The scheme's assets include £69,000 (2019: £133,000) of insured annuity policies in relation to pensions secured prior to May 1993. These insured annuity policies are included in the figure provided for "other" above.

29. Pension costs (continued)

The following amounts have been recognised in the financial statements for the year ended 31 December 2020 under the requirements of FRS 102:

	2020 £'000	2019 £'000
Interest income	780	1,048
Interest on liabilities	(780)	(1,048)
Past service cost	-	-
Net credit to the Statement of Financial Activities	-	-
Unrecognisable credit due to closure of the scheme to future accrual	-	-
Amount credited to the Statement of Financial Activities	-	-
	2020 £'000	2019 £'000
Actual return on assets less interest	7,387	3,991
Actuarial losses on scheme liabilities	(9,672)	(2,696)
Limit on recognition of assets less interest	2,285	(1,295)
Amount recognised in the Statement of Financial Activities	-	-
	2020 £'000	2019 £'000
Changes in the fair value of the scheme assets are as follows:		
Fair value of scheme assets at 1 January	52,303	48,815
Interest income	780	1,048
Contributions	-	-
Benefits paid	(814)	(1,551)
Actual return on assets less interest	7,387	3,991
Fair value of scheme assets at 31 December	59,656	52,303
	2020 £'000	2019 £'000
Changes in the present value of the scheme liabilities are as follows:		
Present value of scheme liabilities at 1 January	41,453	39,260
Past service cost	-	-
Interest on liabilities	780	1,048
Benefits paid	(814)	(1,551)
Actuarial losses / (gains) on scheme liabilities	9,672	2,696
Present value of scheme liabilities at 31 December	51,091	41,453

29. Pension costs (continued)

Other pension schemes

The Charity participates in the NHS Pension Scheme, an unfunded, defined benefit scheme for employees who were formerly employed in the NHS, GP practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. During the year, the Charity made contributions for 154 employees totalling £912,000 (2019: 172 employees, £1,028,000) to the NHS Scheme. There were £78,000 contributions outstanding at the end of the year (2019: £102,000). The NHS Scheme has been closed to new Macmillan employees from 1st January 2020.

The latest published actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016, which reported that the scheme had accumulated a notional deficit of £19.4 billion against the notional assets as at 31 March 2016. This valuation set the employer contribution rate payable from April 2019, increased by 6.3% to 20.68% of pensionable pay from this date (inclusive of administration levy) although the increase was met by NHS England and the Department of Health and Social Care for the financial year 2019/20 and 2020/21. The next actuarial valuation will be at end of 31st March 2020 and is not yet published. From an accounting perspective, a valuation of the scheme liability is carried out annually by the scheme actuary by updating the results of the full actuarial valuation based on detailed membership data. The latest assessment of the liabilities of the scheme was undertaken for the year to 31 March 2020 and is contained in the scheme actuary report which forms part of the annual NHS Pension (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pension website.

The Charity ceased participation in the Teachers' Pension Scheme on 31 March 2018.

The Charity has also made payments into a stakeholder scheme operated by Legal & General. This is a defined contribution scheme. During the year, the Charity made contributions for 1,886 employees totalling £6,964,000 (2019: 2,046 employees, £6,677,000). The increase in costs is due to the increase in minimum pension contribution levels for auto enrolment.

Thank you

We simply wouldn't be able to do whatever it takes for people living with cancer without our supporters. There are so many incredible donors, partners, committees, volunteers and fundraisers that we cannot thank enough.

They include:

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A special thank you to the 2,650 people who so kindly had the forethought to leave us a gift in their Will. Together they contributed over a third of our income. With their support, and the support of the thousands of people who wrote us into their wills in 2020, we will continue to be there for people living with cancer when they most need us.

We would also like to extend a sincere thank you to everyone who supported our work in memory of a loved one. Your thoughtfulness and generosity over such a difficult year is appreciated more than ever.

We're doing whatever it takes. But without your help we can't support everyone who needs us.

To donate, volunteer, raise money or campaign with us, call **0300 1000 200** or visit **[macmillan.org.uk](https://www.macmillan.org.uk)**